



WuXi Biologics (Cayman) Inc.
藥明生物技術有限公司*

(Incorporated in the Cayman Islands with Limited Liability)
Stock Code: 2269

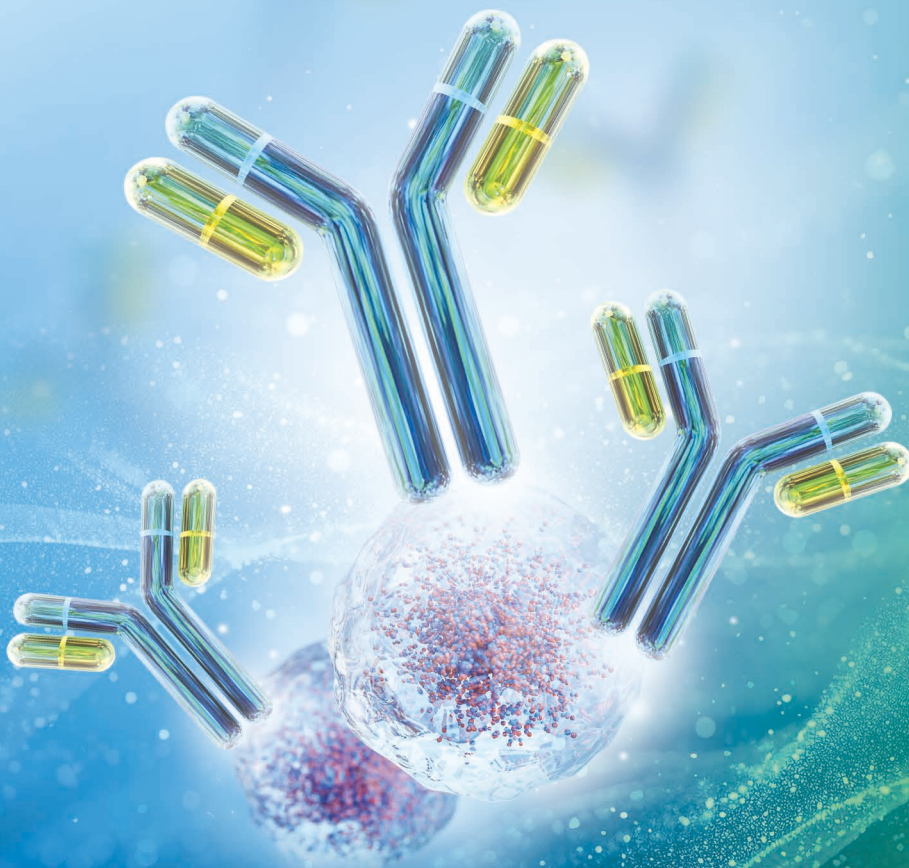
ANNUAL REPORT 2025



* For identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Zhisheng Chen
(Chief Executive Officer)
Dr. Sherry Xuejun Gu
(Chief Technology Officer)

Non-executive Directors

Dr. Ge Li *(Chairman)*
Mr. Yanling Cao
Ms. Jingwen Miao

Independent Non-executive Directors

Mr. William Robert Keller
Mr. Kenneth Walton Hitchner III
Mr. Jackson Peter Tai
Dr. Jue Chen

AUDIT COMMITTEE

Mr. Jackson Peter Tai *(Chairman)*
Mr. William Robert Keller
Mr. Kenneth Walton Hitchner III

REMUNERATION COMMITTEE

Mr. William Robert Keller *(Chairman)*
Mr. Kenneth Walton Hitchner III
Mr. Jackson Peter Tai

NOMINATION COMMITTEE

Dr. Ge Li *(Chairman)*
Mr. William Robert Keller
Mr. Jackson Peter Tai
Dr. Jue Chen

STRATEGY COMMITTEE

Dr. Zhisheng Chen *(Chairman)*
Dr. Ge Li
Dr. Sherry Xuejun Gu
Ms. Jingwen Miao
Mr. William Robert Keller
Mr. Kenneth Walton Hitchner III
Dr. Jue Chen

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Dr. Zhisheng Chen *(Chairman)*
Mr. William Robert Keller
Mr. Kenneth Walton Hitchner III
Dr. Jue Chen

AUTHORIZED REPRESENTATIVES

Dr. Zhisheng Chen
Ms. Sham Ying Man

JOINT COMPANY SECRETARIES

Mr. Huang Yue
Ms. Sham Ying Man

REGISTERED OFFICE

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Grand Cayman KY1-1104
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Corporate Information



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Hong Kong

STOCK CODE

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HONG KONG BRANCH SHARE REGISTRAR

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HONG KONG LEGAL ADVISER

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AUDITOR

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Registered Public Interest Entity Auditors
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Chairman and CEO Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of WuXi Biologics (Cayman) Inc. (the "**Company**") and its subsidiaries (collectively, the "**Group**"), we are pleased to present the Group's 2025 Annual Report.

In 2025, the Group reaffirmed its commitment to the global healthcare sector while delivering solid business growth. By leveraging our unique integrated end-to-end CRDMO platform, we achieved the following in 2025:

- **Financials** — 16.7% year-on-year revenue growth, 30.9% year-on-year gross profit increase, and 45.3% year-on-year net profit surge, alongside a 500-basis-point expansion in gross profit margin to 46.0%, and a 340-basis-point expansion in adjusted gross profit margin to 48.8%; free cash flow reached RMB2.3 billion, representing an increase of over 70% year-on-year;
- **Projects** — A record high of 209 new integrated projects (bringing total projects to 945), including 74 late-phase and 25 commercial manufacturing projects, along with 23 external projects secured through our "Win-the-Molecule" strategy; and
- **Backlog** — Total backlog grew to US\$23.7 billion, with US\$4.5 billion within three years.

Furthermore, our core business units achieved critical milestones advancing our "Follow and Win the Molecule" and "Global Dual Sourcing" strategies:

- The Group's bispecific and multispecific antibody technology platforms, including WuXiBody™, SDARBody™ and CD3 T-cell engager (TCE), continued to expand, reaching a total of 196 projects as of the end of 2025.
- The Group shortened the development time for monoclonal antibody projects from DNA to IND to between six to nine months. The Group supported 156 IND filings in 2025 and expanded capacity to 200 INDs and 20 BLAs/MAAs annually. Additionally, our new technology platforms, including WuXia™ TrueSite and WuXiHigh™, were introduced to enable our clients and partners to accelerate innovative therapy development and their path to commercial launch.
- The Group completed 28 Process Performance Qualification ("**PPQ**") projects in 2025 with a 100% PPQ campaign success rate. 34 PPQs are scheduled for 2026 under current contracts, providing strong visibility into future manufacturing revenue growth.
- The Group has successfully completed 46 inspections by various national regulatory agencies since 2017 with no critical issues identified and zero data integrity findings, including 22 regulatory inspections from the EU EMA and the U.S. FDA.

Chairman and CEO Statement



- The Group continued to expand its global manufacturing footprint through strategic initiatives, including: a new microbial commercial production site in Chengdu; construction of MFG11 in Worcester, Massachusetts; enhanced capabilities at MFG18 in Cranbury, New Jersey; and new DS/DP facilities in Singapore's CRDMO hub.
- The Group further strengthened its ESG practices to benefit all stakeholders, earning recognition from leading global ESG rating agencies. Additionally, it completed 430+ Kaizen projects and advanced digitalization initiatives to enhance operational efficiency and excellence.

Building on these achievements, the Group has strengthened its leading position in the biologics outsourcing industry through its advanced capabilities and capacity. New growth drivers will sustain our momentum while solidifying our role as an open-access biologics platform — enabling anyone or any company to discover, develop, and manufacture biologics to benefit patients worldwide.

On behalf of the Board and management team, we extend heartfelt gratitude to our clients, partners, and shareholders for your steadfast support. Your trust reinforces our commitment to excellence. We also honor our 13,000+ employees worldwide for their unwavering dedication, execution excellence, and tireless service to clients and partners.

Looking ahead to 2026, we remain dedicated to serving and contributing to the global healthcare community, while adhering to the highest industry standards of regulatory compliance and operational excellence. We will continue expanding our global CRDMO network and further strengthen our integrated capabilities. With our unique CRDMO platform, ongoing investments in advanced technologies and digitalization, and growing pipeline, we are well-positioned to support our global partners and drive the next phase of growth. We remain committed to creating long-term value for our partners and strengthening our role as a trusted partner to the global biopharmaceutical industry as we advance our vision that "every biologic can be made".

Dr. Ge Li
Chairman
March 24, 2026

Dr. Zhisheng Chen
CEO
March 24, 2026

Financial Highlights

	For the year ended December 31,				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Operating results					
Revenue	10,290,050	15,268,660	17,034,255	18,675,371	21,790,018
Gross profit	4,828,897	6,724,014	6,827,901	7,650,820	10,018,512
Profit before tax	3,993,119	5,357,771	4,173,803	4,834,398	7,256,907
Net profit	3,508,581	4,549,906	3,570,624	3,945,371	5,733,227
Net profit attributable to owners of the Company	3,388,478	4,420,286	3,399,729	3,356,081	4,908,343
Adjusted net profit ⁽¹⁾	3,435,908	5,053,941	4,950,380	5,396,900	6,586,040
Adjusted net profit attributable to owners of the Company	3,316,388	4,925,313	4,698,894	4,784,130	5,640,299
Profitability					
Gross margin (%)	46.9%	44.0%	40.1%	41.0%	46.0%
Net profit margin (%)	34.1%	29.8%	21.0%	21.1%	26.3%
Margin of adjusted net profit (%)	33.4%	33.1%	29.1%	28.9%	30.2%
Margin of net profit attributable to owners of the Company (%)	32.9%	29.0%	20.0%	18.0%	22.5%
	As at December 31,				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Financial position					
Total assets	44,032,623	49,564,385	56,575,726	56,977,435	63,696,738
Total liabilities	11,326,457	13,351,308	12,557,844	11,499,866	10,657,394
Total equity	32,706,166	36,213,077	44,017,882	45,477,569	53,039,344
Equity attributable to owners of the Company	32,278,593	35,047,407	40,331,597	41,819,209	47,248,676
Bank balances and cash	9,003,280	6,395,222	9,669,839	8,279,182	9,213,786

⁽¹⁾ Details are set out in "Non-IFRS Measures" on pages from 33 to 35.

Management Discussion and Analysis



BUSINESS REVIEW

Overall Performance

In 2025, the Group's unique integrated end-to-end CRDMO platform and "Follow and Win the Molecule" strategies once again drove robust business growth and underpinned impressive financial performance.

In particular, the Group added 209 new integrated projects in 2025, bringing the total to 945, reinforcing its position as a preferred partner for biologics innovators and multinational pharmaceutical companies worldwide. The Group's late-phase and commercial manufacturing businesses also grew to 74 and 25 projects, respectively, as of December 31, 2025. Through its "Win-the-Molecule" strategy, the Group added 23 external projects (including 6 late-phase projects) in 2025, further accelerating its growth momentum.

The following table sets forth the status of the ongoing integrated projects of the Group as at December 31, 2025:

Biologics Development Process Stage	Number of Ongoing Integrated Projects ⁽¹⁾	Typical Duration	Typical Service Revenue ⁽²⁾
Pre-IND			
— Pre-clinical development	463	6-15 months	US\$5-8 mm
Post-IND			
— Early-phase (phases I & II) clinical development:	383	3 years	US\$4-6 mm
— Phase I clinical development	289		
— Phase II clinical development	94		
— Late-phase (phase III) clinical development	74	3-5 years	US\$20-50 mm
— Commercial manufacturing ⁽³⁾	25	annually	US\$50-100 mm ⁽⁴⁾
Total	945		

Management Discussion and Analysis

Notes:

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

The Group's revenue for the year ended December 31, 2025 increased by 16.7% year-on-year to RMB21,790.0 million. The gross profit increased by 30.9% year-on-year to RMB10,018.5 million and the gross profit margin expanded by 5% year-on-year to 46%. The net profit and the net profit attributable to owners of the Company increased by 45.3% and 46.3% year-on-year to RMB5,733.2 million and RMB4,908.3 million respectively. The Group's free cash flow increased significantly in 2025. Please refer to the section headed "Financial Review" for further information. The Group's total backlog increased to US\$23.7 billion as of December 31, 2025, including US\$11.5 billion service backlog and US\$12.2 billion upcoming potential milestone fees, while the total backlog within three years increased to US\$4.5 billion as of December 31, 2025. The timing and probability of potential milestone fee realization may vary, as it is contingent upon project success and development progress — factors that may be beyond the Group's control.

The Group has established partnerships with the world's top 20 pharmaceutical companies. During the Reporting Period, the Group further diversified its client portfolio while enhancing integrated capabilities to advance next-generation biologics from discovery to commercial scale — a key advantage in addressing global patient needs. The Group believes that continuous investment in its capabilities and capacity, together with partner-centric collaboration models, will strengthen its value chain and seize emerging market opportunities.



Management Discussion and Analysis



Business Highlights

CRDMO Platform — Research (R)

As the Group's research arm — the "R" in CRDMO, the global biologics research ("GBR") business unit offers a comprehensive and streamlined suite of biologics discovery solutions through its team of approximately 800 scientists. GBR provides both standalone and modular services, allowing global clients to leverage our proprietary technologies and discovery platforms at any stage via our CRO services. The unit further enhances business value through fully integrated project ("FIP") services, supporting clients from initial concept to IND application submission, seamlessly integrating with CMC and downstream process development. The Group continues to strengthen its biologics generation and optimization capabilities, providing efficient and high-throughput protein production across all scales. These efforts reinforce our standing as a preferred biologics partner, expediting the creation of innovative biologics for global healthcare needs.

- **Protein Production.** Harnessing advanced technologies and industry-leading facilities, our research protein production services deliver custom solutions for global clients' evolving needs throughout all stages of biologics R&D, achieving the highest yields in the industry, premium quality, and unmatched speed.



Bispecific Antibodies. The Group's antibody development expertise and world-class team of scientists have advanced over 85 different formats across more than 160 bispecific antibody projects. WuXiBody™, the Group's proprietary bispecific antibody platform, allows valency flexibility, enabling the pairing of virtually any monoclonal antibody ("mAb") to construct bispecific antibodies. WuXiBody™ has achieved industry-wide validation, empowering over 50 global collaborations as of the end of the Reporting Period.

The Group has leveraged its Immune Cell Engager ("ICE") platform to devise T-cell Engager ("TCE") with its proprietary cynomolgus monkey cross-reactive anti-CD3 mAb with unique binding epitope and binding kinetics in an optimized antibody format, exploring their potential as preeminent treatments for tumors and autoimmune diseases in close collaboration with clients and partners. The Group is further developing next generation costimulatory TCE, masked TCE, tumor microenvironment TCE (TME-TCE), $\gamma\delta$ TCE, and NK cell engager (NKCE) to solidify its position in ICE platforms.



Management Discussion and Analysis



Multispecific Antibodies. Drawing upon our technical capability of Variable Domain of Heavy-chain Antibodies ("VHH") libraries, advanced VHH immunization, VHH affinity maturation and humanization platforms and a deep understanding of disease and target biology, the Group has developed the VHH-based SDArBody™ (Single-Domain Antibody-related Multispecific Antibody) platform. This sophisticated platform provides our clients with multi-functional therapeutic capabilities and has been applied extensively across a diverse range of projects. Together with WuXiBody™, SDArBody™ and our protein engineering expertise, we continue to enable our clients to develop multispecific antibodies addressing diverse therapeutic needs. As of the end of the Reporting Period, the Group had more than 30 multispecific antibody projects.

- **Tumor Associated Antigens ("TAA") mAb Technology.** The Group has established an integrated platform for validating TAAs and utilizes its advanced antibody discovery platforms to identify the best mAbs to TAAs to enable clients globally, including leading multinational pharmaceutical companies. These antibodies, distinguished by their unique properties, enable our clients to discover potentially best-in-class antibody-drug conjugate ("ADC") molecules and other novel tumor targeted therapeutic agents.
- **Single B Cell Technology.** Using the Berkeley Light Beacon system, the Group's single B cell technology can be applied to a variety of species that are critical for lead generation of therapeutic antibodies. For instance, the Group's single B cell technology bypassed the most challenging technical hurdle of developing rabbit hybridoma despite the lack of robust fusion partners to discover single digital or sub-picomolar affinity antibodies to cytokines with desired species cross-reactivity. This advancement markedly enhances current technological capabilities, facilitating and enabling the discovery of valuable lead molecules for challenging targets.
- **Machine Learning Antibody Discovery.** The Group employed machine learning technologies to facilitate the discovery of novel antibodies at antibody lead identification stage, and optimize affinity and species cross-reactivities, and improve developability during the antibody and biologics optimization stage.

Through synergistic integration of these technological platforms, the Group's research and discovery business maintained strong momentum. Strategic collaborations with global partners accelerated breakthrough innovations across discovery pipelines including bi- and multi-specific TCEs and ADCs, with partners such as GSK plc (LSE/NYSE: GSK), Candid Therapeutics, Inc., Aadi Bioscience, Inc. (NASDAQ: AADI), BioNTech SE (NASDAQ: BNTX), Vertex Pharmaceuticals

Management Discussion and Analysis



Incorporated (NASDAQ: VRTX), and Sino Biopharmaceutical Limited (Stock Exchange stock code: 1177) among others. Notably, one of the molecules developed for GSK plc has entered clinical trials, becoming the fourth WuXi Biologics-originated TCE to reach this stage. Our partner-validated technological advancements are driving global healthcare improvements and bolstering the Group's pipeline.

CRDMO Platform — Development (D)

By continually enabling our clients to deliver more high-quality and affordable biologics to patients, the Group's industry-leading biologics development team drives innovation under its mission of "Turning Ideas into Life-Improving Biologics and Vaccines". The Group consistently optimizes delivery timelines and upholds uncompromising quality, compressing the development cycle for mAb projects from DNA to IND to just between six to nine months. The Group supported 156 IND filings in 2025, and expanded capacity to 200 INDs and 20 BLAs/MAAs annually. As of the end of the Reporting Period, leveraging the following state-of-the-art technology platforms, the Group had enabled over 780 IND filings.

WuXiaTM

WuXiaTM. The Group's proprietary CHO (Chinese Hamster Ovary) cell line development platform WuXiaTM enables 200 integrated CMC projects per year, one of the industry's largest capacities. The Group has delivered more than 1,300 cell lines. Derived from WuXiaTM, WuXia RidGSTM is a high-yield glutamine synthetase (GS)-knockout CHO expression system platform specialized in non-antibiotic cell line development, and WuXia^{ADCC} PLUSTM is the Group's high-yielding mammalian cell line platform for the development and manufacturing of afucosylated antibodies to elicit an enhanced ADCC response. The Group launched WuXiaTM TrueSite during the Reporting Period, which is the fourth generation of the Company's proprietary WuXiaTM cell line platform, a targeted integration cell line development platform that has achieved an average mAb titer exceeding 8.0 g/L and enables a 6-month IND timeline, accelerating development of innovative therapies and their path to commercial launch.

WuXiaTM

WuXia^{ADCC} PlusTM

WuXia RidGSTM

WuXiaTM TrueSite

Management Discussion and Analysis

WuXiUP™

WuXiUP™. The Group's ultra-high productivity continuous bioprocessing platform WuXiUP™ is an end-to-end next-generation solution for high-yield and high-quality drug substance ("DS") while also being highly flexible and cost-effective. WuXiUP™ can be implemented in 1,000–2,000L single-use bioreactors ("SUBs") to achieve comparable productivity to 10,000–20,000L stainless steel bioreactors while ensuring high product quality. WuXiUP™ has achieved end-to-end, fully automated continuous DS production at pilot scale during the Reporting Period. WuXiUP™ has been validated for more than 65 molecules, and delivered productivity of 20–120 g/L, enabling over ten IND approvals.

WuXiUI™

WuXiUI™. In comparison with the conventional fed-batch process, the Group's new proprietary bioprocessing platform WuXiUI™ applies an innovative ultra-intensified intermittent-perfusion fed-batch (UI-IPFB) strategy to achieve a 3- to 8-fold increase in productivity in a typical culture duration for over 50 cell lines expressing different types of recombinant proteins including mAbs, bispecific antibodies and fusion proteins, while ensuring high product quality with significantly reduced manufacturing cost.

WuXiHigh™

WuXiHigh™. The Group's proprietary high concentration (≥ 100 mg/mL) drug product ("DP") development platform WuXiHigh™ features high-throughput formulation screening strategies, novel viscosity-reduction methodologies using proprietary excipients, and robust processes for high-viscosity DS/DP manufacturing. During the Reporting Period, the Group launched WuXiHigh™2.0, enabling protein concentrations of up to 240 mg/mL and achieving viscosity reduction by up to 90%. As of the end of the Reporting Period, WuXiHigh™ platform had provided tailored solutions for over 140 projects (up to 240 mg/mL) with a wide range of modalities. The Group also expanded its high-dose drug delivery capabilities for clinical and commercial applications, including WuXiHigh™, hyaluronidase co-formulation, and large-volume device solutions.

Management Discussion and Analysis



- **PatroLab™.** The Group has also recently launched the industry-leading digital twin platform PatroLab™ to enhance process performance, minimize process risks, shorten development timelines, and ensure consistent, high-quality biologics manufacturing, enabling global clients to achieve faster time-to-market and robust commercial supply.

During the Reporting Period, the Group strengthened its partner ecosystem for innovative biologics development and manufacturing, including its collaboration with VISEN Pharmaceuticals (Stock Exchange stock code: 2561, “VISEN”) for VISEN’s core product, lonapegsomatropin, at the Group’s new microbial manufacturing site in Chengdu.

CRDMO Platform — Manufacturing (M)

The Group’s biologics cGMP DS manufacturing facilities utilize SUBs scalable from 200L to 5,000L for upstream cell culture, coupled with a hybrid mode of single-use and stainless steel systems for downstream purification processes. The Group’s enhanced one-stop comprehensive DP solutions — featuring state-of-the-art facilities, integrated high throughput and automation instruments, pioneering lyophilization technologies and advanced process development capabilities — establish the Group as a preferred partner, while driving revenue growth through expanded service offerings.



The Group’s manufacturing services achieved important milestones during the Reporting Period through successful execution of our “Follow and Win the Molecule” and “Global Dual Sourcing” strategic initiatives. These achievements establish a foundation for accelerated growth with an expanding commercial portfolio and revenue ramp per program over time.

- **More Projects.** The number of late-phase and commercial manufacturing projects continued their steady growth, with totals reaching 74 and 25 respectively as of the end of the Reporting Period, including 6 “Win-the-Molecule” late-phase projects which were secured during the Reporting Period, reinforcing the Group’s long-term growth outlook.
- **Promising Indicators.** During the Reporting Period, the Group completed 28 PPQs and maintained a 100% PPQ campaign success rate. 34 PPQs are scheduled for 2026 under current contracts, laying a solid foundation for the growth of commercial manufacturing projects.

Management Discussion and Analysis

- **Capability Breakthrough.** The Group successfully completed the first commercial project PPQ campaign for its three sets of 5,000L SUBs in the second DS line of its MFG20 facility at the Hangzhou site, not only marking a significant breakthrough as Asia's first 5,000L DS scale-up line utilizing SUBs, but also demonstrating the Group's industry-leading capabilities in single-use technology for large-scale production, reaffirming its position at the forefront of advanced manufacturing solutions.
- **Regulatory Milestones.** Following GMP certification by the Irish HPRA in 2024, the Ireland site received its first EU EMA approval as a commercial manufacturing site for a global client's innovative biologics during the Reporting Period. The Group's two manufacturing facilities DP5 and DP packaging center (DPPC) received GMP certifications from the U.K. MHRA for commercial manufacturing of an ophthalmic biologics. In addition, WuXi Vaccines, the Company's wholly-owned subsidiary dedicated to vaccine CDMO, has recently received GMP certification for its fill and finish facility DP17 in Suzhou from Brazil's ANVISA.

New Growth Drivers

By capitalizing on its full-spectrum biologics capabilities spanning discovery, development and manufacturing, the Group has built integrated platforms for advanced therapeutic modalities, significantly diversifying service offerings while ensuring enduring innovation-led growth.



Management Discussion and Analysis



- **Bispecific/Multispecific Antibody Platform.** Bispecific and multispecific antibody projects continued to expand rapidly, reaching a total of 196 as of the end of the Reporting Period, including three in the commercial manufacturing stage — all identified as high-potential assets. By leveraging strengths across research, development, and manufacturing, the Group has established bispecific and multispecific antibodies as one of the fastest-growing modalities, markedly bolstering our revenue growth. Please refer to the section headed “CRDMO Platform — Research (R)” for more detailed information on our bispecific/multispecific antibody platform.
- **Microbial Platform.** The Group continues to offer comprehensive end-to-end, one-stop solutions that encompass CMC development and GMP manufacturing services for a diverse range of biologics and vaccines produced from microbial-based systems. The Group launched the microbial expression platform EffiX™, which enables the development and manufacturing of microbial-derived biologics with high yield, consistent quality, as well as superior stability and scalability. With the integration of various advanced technology platforms, the microbial platform is now able to comprehensively support the development and manufacturing of multiple modalities, including Nanobody/VHH, enzymes, cytokines and peptides, virus-like particles (VLPs), pDNA and other recombinant proteins.



- **HEK293 platform.** The Group has successfully established the HEK293 platform for recombinant protein expression, offering comprehensive CMC services from concept to GMP manufacturing. This platform — under the brand name WuXia293^{Stable}™ — is designed to meet the evolving demands of the global biopharmaceutical market and to address critical biomanufacturing challenges by resolving truncation and glycosylation issues for complex molecules that are difficult to express in CHO cell lines, while producing proteins with humanized post-translational modifications to reduce immunogenicity.

WuXia293^{Stable}™



Management Discussion and Analysis

- **ADCs and Other Bioconjugates Platform.** The Company's subsidiary WuXi XDC, a leading CRDMO focused on the global ADC and broader bioconjugate market and dedicated to providing integrated and comprehensive services, has been listed on the Main Board since November 17, 2023 (stock code: 2268). As of the end of the Reporting Period, WuXi XDC had secured 252 ongoing iCMC (integrated CMC) projects for ADCs and other bioconjugates globally with 42 in phase II and beyond.

Quality

The Group consistently prioritizes quality, especially data integrity, at the forefront, ensuring the safeguarding of our clients' and partners' interests. As of the end of the Reporting Period, supported by a world-class quality system, the Group had successfully completed 46 regulatory inspections by various national regulatory agencies since 2017 (including 22 regulatory inspections by the EU EMA and U.S. FDA) with no critical issues identified and zero data integrity findings. This achievement establishes the Group as the first biologics company in China certified by these regulatory agencies for commercial manufacturing. Additionally, the Group has undergone over 1,800 GMP audits by global clients, and more than 230 audits by EU Qualified Persons ("**EU QP**"). These certifications reinforce the Group's premier quality system, which adheres to global regulatory standards, ultimately ensuring that patients worldwide benefit from high-quality biologics.

Furthermore, five of the Group's manufacturing facilities, including its first commercial pre-filled syringes ("**PFS**") manufacturing facility DP5, successfully passed the Pre-License Inspection ("**PLI**") by the U.S. FDA during the Reporting Period with no critical issues or data integrity findings. This achievement reinforces the Group's strong track record of a 100% success rate in passing PLIs and, for DP5, paves the way for providing high-quality PFS manufacturing solutions to clients worldwide. Three of the Group's manufacturing facilities in its Wuxi site — MFG1, MFG2, and DP5 — received GMP certification from Türkiye İlaç ve Tıbbi Cihaz Kurumu ("**TITCK**") during the Reporting Period, marking the first GMP inspection conducted by Turkey's TITCK at the Group.

Sustainability

As a global leader in Green CRDMO, the Group regards sustainability as the cornerstone of its business strategy, integrating its corporate vision and mission to drive long-term success. The Group launched "WuXi Biologics Green CRDMO White Paper" and embraces social and environmental responsibilities to deliver stronger ESG performance. It offers end-to-end green solutions across research, development and manufacturing of biologics, for the benefit of all stakeholders and for the greater good of society. During the Reporting Period, the Group prioritized its ESG targets and monitored metrics in key areas, such as corporate governance, talent development, climate change, energy saving, resource efficiency and sustainable supply chain.

Management Discussion and Analysis



The Group, a participant in the United Nations Global Compact (UNGC) and the Pharmaceutical Supply Chain Initiative (PSCI), has had its near-term and net-zero greenhouse gas (GHG) emissions reduction targets validated by the Science Based Targets initiative (SBTi) during the Reporting Period. To further strengthen supply chain resilience, the Group achieved ISO 20400 Sustainable Procurement certification. In addition, it has made significant progress in sustainability and has been recognized by various ESG ratings. Please refer to the section headed "Company Awards" for further information. These achievements reaffirm our commitment to sustainability and transparency, as honored by the Hong Kong ESG Reporting Awards (HERA) 2025 for Outstanding ESG Disclosure.



Hong Kong
ESG
Reporting
Awards



Geographic Footprint

The Group's globally diversified production network ensures project launches within four weeks, delivering a resilient biologics supply chain and accelerated market entry. To scale with growing demand and advance its "Global Dual Sourcing" strategy, the Group further enhanced its manufacturing capacity during the Reporting Period. Highlights include:

- In China, the Group kicked off the construction of its new microbial manufacturing site for commercial production at Chengdu. The site will be equipped with a 15,000L fermenter, enabling an annual production capacity of 80 to 110 DS batches with expansion potential to 60,000L. The Chengdu site's launch is expected to significantly enhance the Group's commercial manufacturing capabilities for global clients.
- In Europe, Phase 2 of the manufacturing facility MFG6 ("MFG6.2") at the Ireland site expanded its total capacity from 3,000L to 6,000L with the release of three 1,000L SUBs systems. The facility also successfully completed its first engineering run and PPQ run. The MFG7 facility in Ireland completed its second PPQ at 12,000L scale. Additionally, the Ireland site received its first EU EMA approval as a commercial manufacturing site for a global client's innovative biologics. The site was honored with the prestigious 2025 Operational Excellence in Life Sciences Award at the Ireland Operational Excellence Awards, and recognized as the industry leader in process optimization and innovation, enabled by its ongoing commitment to improve quality, efficiency, and sustainability in global biologics manufacturing.



Management Discussion and Analysis

During the Reporting Period, the Group completed two divestiture transactions — the DP facility in Germany and WuXi Vaccines facility in Ireland — further optimizing our global operations and return on assets, thereby facilitating the continued enhancement of our diversified solutions for global clients.

- In the U.S., the basis of design for the Group's Manufacturing Facility 11 ("MFG11") in Worcester, Massachusetts was finalized during the Reporting Period, with engineering and construction advancing. MFG11, featuring extensive automation technologies, six 6,000L SUBs, and one downstream production line, will synergize with the Boston research service center and Cranbury, New Jersey site ("MFG18") upon completion, providing end-to-end services in the U.S., encompassing biologics research, development, clinical manufacturing, and both small- and large-scale commercial manufacturing to better support global clients. MFG18 is also being upgraded to add commercial manufacturing capabilities in response to the strong local demands.
- In Singapore, construction is underway for a modular DP facility, becoming a cornerstone of the Group's new CRDMO hub. Once completed, the building will be one of the world's largest modular biologics DP facilities and will significantly enhance the Group's end-to-end DP service capabilities. Additionally, the design phase is underway for a DS modular facility planned for the Singapore CRDMO hub. Moreover, WuXi XDC's manufacturing site in Singapore successfully achieved the mechanical completion during the Reporting Period, which is expected to achieve GMP readiness soon.
- In the Middle East, the Group signed a strategic memorandum of understanding with the Qatar Free Zones Authority during the Reporting Period to advance its plan to establish the Qatar site as a strategic hub within its global CRDMO network and extend its geographic presence into the region.

Management Discussion and Analysis



WBS (WuXi Biologics Business System)

Launched in 2021 and implemented across all Group functions, WBS continues to drive business improvements by enhancing efficiency and quality, accelerating delivery, and cost optimization, creating greater value for our clients. During the Reporting Period, the Group completed over 430 Kaizen projects. Through these WBS activities, the Group promoted strategic planning and execution, strengthened quality risk mitigation and inventory management, optimized business processes and improved operational efficiency, accelerated innovation and business growth, and significantly enhanced our core competitiveness. Additionally, ESG-focused Kaizen projects contributed to the Group's sustainability goals, achieving notable reductions in carbon emissions, water consumption, waste, and material usage. The Group remains committed to advancing WBS as a management system that fosters continuous improvement, talent development, and customer value creation.

Management Discussion and Analysis

Company Awards

During the Reporting Period, the Company received multitudes of recognitions and awards for its outstanding performance in providing exceptional services to accelerate and transform biologics development, as well as its ongoing commitment to ESG initiatives, notably: "CDMO Leadership Awards" for the eighth consecutive year; "CDMO of the Year — Asia Pacific", "Best Biologics CDMO Award: Bioprocessing", and "Best Biologics CDMO in Greater China Region" from IMAPAC; "Best CDMO Award", "Best Aseptic Fill-Finish & Packaging CMO of the Year", "Best Aseptic Fill-Finish & Packaging Supplier Award: Drug Delivery Systems", "Best New Modalities Manufacturing Company", and "Best Bioprocessing Supplier Award: Cell Line Development & Characterization" at the 2025 Asia-Pacific Biopharma Excellence Awards (ABEA) ceremony; 2025 Global Customer Value Leadership Recognition by Frost & Sullivan; as well as various ESG top ratings and awards, including the induction into the S&P Dow Jones Best-in-Class Indices, MSCI Selection Indexes and 2025 Hang Seng Corporate Sustainability Benchmark Index; selected as a constituent company of the FTSE4Good Index Series; the granting of AAA ESG Ratings by MSCI and the highest negligible-risk ESG rating as well as the Industry and Regional ESG Top-Rated Company recognition by Sustainalytics; the award of an EcoVadis Platinum Medal and CDP "A list" for Climate Change, Water Security and Supplier Engagement Assessment.



Management Discussion and Analysis



Future Outlook

In 2025, the Group achieved exciting results under its CRDMO⁺¹ strategy. Through seamless teamwork and continuous innovation, the Group provided end-to-end CRDMO services — from discovery and development, to manufacturing — to accelerate progress, navigate complexity, and deliver innovative solutions to clients. This success underscores our commitment to empowering anyone or any company to discover, develop, and manufacture biologics from concept to commercialization. Leveraging our distinctive CRDMO platform and the successful execution of our proven “Follow and Win the Molecule” strategies, we are well-positioned to enable client success and drive value creation.

The biopharmaceutical sector continues to exhibit strong fundamentals for growth, fueled by substantial pipelines of new biologics targeting key unmet medical needs in immunology, oncology, chronic diseases, and other therapeutic areas, offering effective treatments with enhanced safety profiles. The aging global population and rising prevalence of chronic diseases worldwide continue to drive sustained demand. In parallel, scientific progress in sophisticated modalities — particularly bispecific antibodies, multispecific antibodies, and complex ADCs — is enabling the development of more precise and effective therapeutics. These trends are propelling the growing adoption of biologic therapies in key therapeutic areas, further bolstering the long-term prospects of the global biologics market, which is projected to experience remarkable growth in the coming years.

The biopharmaceutical sector is seeing unprecedented demand for biologics outsourcing providers with advanced and specialized technical expertise and strategic capabilities. Our comprehensive end-to-end CRDMO platform, combined with the “Global Dual Sourcing” strategy, reinforces our position as a preferred partner for biologics innovators and multinational pharmaceutical companies seeking flexible, agile, and high-quality solutions across discovery, development, and manufacturing. We anticipate sustained and growing demand from the biopharma industry for our integrated outsourcing services, spanning concept-stage research to commercial-scale manufacturing.

As a global biologics CRDMO, the Group remains committed to serving and contributing to the global healthcare community, while adhering to the highest industry standards of regulatory compliance and operational excellence. The Group will continue to monitor tariffs and geopolitical developments, and operate in accordance with the applicable laws and regulations of all jurisdictions where it has business operations.

Looking ahead to 2026, the Group will further strengthen its integrated platform by strategically investing in cutting-edge technologies. It will also refine its global capacity footprint to better support clients. The Group aims to drive efficiency and operational excellence through embracing digital innovations (such as one-stop client portal, core lab management system and Electronic Batch Records (EBR)), implementing WBS lean management, and upholding the highest standards of compliance. Additionally, the Group will advance its ESG performance by championing green innovation and responsible practices across its entire value chain. Through these strategic priorities, we envision a future where “every biologic can be made”.

¹ The Company's new strategy powered by four key pillars: Client⁺, Global⁺, Innovation⁺, and Agility⁺. Each of these pillars aims to elevate our client relationships and service offerings to new heights, enabling client success in a fast-paced world.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 16.7% from approximately RMB18,675.4 million for the year ended December 31, 2024 to approximately RMB21,790.0 million for the year ended December 31, 2025. Such increase was primarily attributed to (i) the successful execution of the Group's "Follow and Win the Molecule" strategies, coupled with its leading technology platforms, best-in-industry timeline and excellent execution track record, contributing to the revenue growth of the Group; (ii) enlarged spectrum of services offered to the biologics industry by the Group, including research & discovery services, pre-IND development services, clinical and commercial manufacturing services, from fast growing technology platforms such as Bispecific Antibodies and ADC; (iii) growth of research services revenue generated from the Group's various cutting-edge technologies; and (iv) the utilization of existing and newly expanded capacities, including ramp-up of the Group's manufacturing facility in Europe.

Revenue by region

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

Revenue	Year ended December 31,			
	2025		2024	
	RMB million	%	RMB million	%
— North America	12,653.5	58.1%	10,695.8	57.3%
— Europe	5,042.2	23.1%	4,322.8	23.1%
— PRC	2,679.8	12.3%	2,820.4	15.1%
— Rest of the world (<i>Note</i>)	1,414.5	6.5%	836.4	4.5%
Total	21,790.0	100.0%	18,675.4	100.0%

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

Management Discussion and Analysis



Revenue by phase

For the year ended December 31, 2025, the pre-IND services revenue of the Group increased by 31.9% to approximately RMB9,314.3 million, accounting for 42.8% of the total revenue. Early-phase (phases I & II) services revenue of the Group decreased by 30.8% to approximately RMB2,639.0 million, accounting for 12.1% of the total revenue. Late-phase (phase III) services and commercial manufacturing revenue of the Group increased by 26.4% to approximately RMB9,460.7 million, accounting for 43.4% of the total revenue, by implementing the Group's "Follow and Win the Molecule" strategies.

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

Revenue	Year ended December 31,			
	2025		2024	
	RMB million	%	RMB million	%
Pre-IND services	9,314.3	42.8%	7,062.2	37.8%
Early-phase (phases I & II) services	2,639.0	12.1%	3,815.5	20.4%
Late-phase (phase III) services & commercial manufacturing	9,460.7	43.4%	7,485.0	40.1%
Others (<i>Note</i>)	376.0	1.7%	312.7	1.7%
Total	21,790.0	100.0%	18,675.4	100.0%

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

The top 5 customers' revenue increased by 4.5% from approximately RMB5,442.3 million for the year ended December 31, 2024 to approximately RMB5,687.6 million for the year ended December 31, 2025, accounting for 26.1% of the Group's total revenue for the year ended December 31, 2025, as compared to 29.1% for the year ended December 31, 2024.

The top 10 customers' revenue increased by 5.1% from approximately RMB7,787.7 million for the year ended December 31, 2024 to approximately RMB8,183.7 million for the year ended December 31, 2025, accounting for 37.6% of the Group's total revenue for the year ended December 31, 2025, as compared to 41.7% for the year ended December 31, 2024.

Management Discussion and Analysis

Revenue by segment

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

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

SEGMENT REVENUE	Year ended December 31,					
	2025			2024		
	External sales RMB million	Inter-segment sales RMB million	Total RMB million	External sales RMB million	Inter-segment sales RMB million	Total RMB million
Biologics	15,889.8	2,249.3	18,139.1	14,731.4	1,776.9	16,508.3
XDC	5,900.2	44.0	5,944.2	3,944.0	108.3	4,052.3
Eliminations	—	(2,293.3)	(2,293.3)	—	(1,885.2)	(1,885.2)
Total	21,790.0	—	21,790.0	18,675.4	—	18,675.4

Cost of Sales

The cost of sales of the Group increased by 6.8% from approximately RMB11,024.6 million for the year ended December 31, 2024 to approximately RMB11,771.5 million for the year ended December 31, 2025. The increase of the cost of sales was in line with the Group's revenue growth.

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

Management Discussion and Analysis



Gross Profit and Gross Profit Margin

The gross profit of the Group increased by 30.9% from approximately RMB7,650.8 million for the year ended December 31, 2024 to approximately RMB10,018.5 million for the year ended December 31, 2025. The gross profit margin increased from 41.0% for the year ended December 31, 2024 to 46.0% for the year ended December 31, 2025. The margin expansion was primarily driven by favorable business mix, higher capacity utilization, and efficiency gains from WBS and digitalization initiatives.

Other Income

The other income of the Group mainly consists of research and other grants, interest income and dividend income. Other income of the Group increased by 8.8% from approximately RMB588.1 million for the year ended December 31, 2024 to approximately RMB639.7 million for the year ended December 31, 2025, mainly attributable to increases in interest income and dividend income from equity investments.

Impairment Losses Under Expected Credit Loss Model, Net of Reversal

Impairment losses under Expected Credit Loss ("ECL") model, net of reversal of the Group represent loss allowances on the Group's financial assets (including trade and other receivables and contract assets) ("**Impairment Losses**"). The Impairment Losses of the Group increased from approximately RMB151.8 million for the year ended December 31, 2024 to approximately RMB205.3 million for the year ended December 31, 2025, primarily due to the increased trade and other receivables balance following the growth of the Group's revenue.

Periodical credit assessments are conducted to evaluate the collectability by customer, with reference to their historical payment records. Down-payment is required and credit term is granted in accordance with the evaluation results. The management maintains close oversight of overdue accounts, actively pursuing collection measures and making provisions prudently.



Management Discussion and Analysis

Other Gains and Losses

The other gains and losses of the Group primarily include foreign exchange gains or losses, fair value gains or losses on equity investments measured at fair value through profit or loss ("FVTPL"), fair value gains or losses on wealth management products, gains or losses on the retirement or disposal of property, plant and equipment, etc. For the year ended December 31, 2025, the Group reported net other gains of approximately RMB113.8 million, compared with net other losses of approximately RMB181.6 million for the year ended December 31, 2024, mainly attributable to (i) net gains from investments, asset divestiture and retirement, and the costs related to resource integration and optimization; and (ii) an increase in foreign exchange losses reported during the year.

Selling and Marketing Expenses

The selling and marketing expenses of the Group are primarily comprised of the staff related costs of our business development personnel, marketing and promotion expenditures, etc. The selling and marketing expenses of the Group increased by 28.5% from approximately RMB473.6 million for the year ended December 31, 2024 to approximately RMB608.8 million for the year ended December 31, 2025, and the selling and marketing expenses as a percentage of the Group's revenue increased from 2.5% for the year ended December 31, 2024 to 2.8% for the year ended December 31, 2025. These increases were accompanied by an expansion of the Group's geographic footprint through ongoing investment in talent acquisition and increased spending on more frequent and higher-profile market exposure.

Administrative Expenses

The administrative expenses of the Group primarily consist of the staff related costs of our administrative and management personnel, expenses for purchased services, depreciation and amortization, etc. The Group's administrative expenses slightly increased by 1.9% from approximately RMB1,673.5 million for the year ended December 31, 2024 to approximately RMB1,704.5 million for the year ended December 31, 2025, primarily driven by increased IT/digitalization spending and higher staff-related costs to support the Group's rapid global expansion.

R&D Expenses

The R&D expenses of the Group mainly include labor costs, cost of raw materials and allocated overhead associated with R&D projects. The R&D expenses of the Group increased by 11.4% from approximately RMB766.4 million for the year ended December 31, 2024 to approximately RMB853.4 million for the year ended December 31, 2025, as the Group has continuously maintained investment in innovation and technologies to enhance and develop its cutting-edge technologies platforms.

Management Discussion and Analysis



Financing Costs

The financing costs of the Group mainly include interest expense on lease liabilities and interest expense on bank borrowings. The financing costs of the Group decreased by 9.2% from approximately RMB157.6 million for the year ended December 31, 2024 to approximately RMB143.1 million for the year ended December 31, 2025, mainly attributable to a decrease in interest expense on bank borrowings, as a result of a lower average balance of bank borrowings during the Reporting Period.

Income Tax Expense

The effective tax rate of the Group kept flat at 21.6% for the year ended December 31, 2025, as compared to 21.4% for the year ended December 31, 2024. The income tax expense of the Group increased by 71.4% from approximately RMB889.0 million for the year ended December 31, 2024 to approximately RMB1,523.7 million for the year ended December 31, 2025, resulting from (i) the increase of profit before tax as discussed above; and (ii) less tax refund received during the Reporting Period. The Group is operating in certain jurisdictions where the Pillar Two Rules have been effective. The Group has either passed the Transitional CbCR Safe Harbor ("**TCSH**") testing or estimated per the Global Anti-Base Erosion ("**GloBE**") calculation rules higher than 15% effective tax rates in certain jurisdictions who do not satisfy TCSH. Accordingly, the management considers the Group bears no more tax liabilities under the Pillar Two Rules for the Reporting Period.

Net Profit and Net Profit Margin

As a result of the foregoing, the net profit of the Group increased by 45.3% from approximately RMB3,945.4 million for the year ended December 31, 2024 to approximately RMB5,733.2 million for the year ended December 31, 2025. The net profit margin of the Group increased from 21.1% for the year ended December 31, 2024 to 26.3% for the year ended December 31, 2025. The increases were mainly due to the increases in gross profit and the investment gains from the Group's investment portfolio, as discussed above.

Also, the net profit attributable to owners of the Company increased by 46.3% from approximately RMB3,356.1 million for the year ended December 31, 2024 to approximately RMB4,908.3 million for the year ended December 31, 2025. Furthermore, the margin of net profit attributable to owners of the Company increased from 18.0% for the year ended December 31, 2024 to 22.5% for the year ended December 31, 2025.



Management Discussion and Analysis

Basic and Diluted Earnings Per Share

The basic earnings per share of the Group increased by 48.8% from RMB0.82 for the year ended December 31, 2024 to RMB1.22 for the year ended December 31, 2025. The diluted earnings per share of the Group increased by 48.7% from RMB0.78 for the year ended December 31, 2024 to RMB1.16 for the year ended December 31, 2025. The increases in both basic and diluted earnings per share were primarily driven by the increment in net profit attributable to owners of the Company as discussed above.

Property, Plant and Equipment

The balance of the property, plant and equipment of the Group increased by 6.4% from approximately RMB26,070.5 million as at December 31, 2024 to approximately RMB27,738.9 million as at December 31, 2025, mainly attributable to ongoing constructions in Singapore, the U.S. and China.

Right-of-Use Assets

The right-of-use assets of the Group mainly include the leasehold lands, leased properties and leased machinery & equipment. The balance of the right-of-use assets of the Group decreased by 14.8% from approximately RMB2,364.9 million as at December 31, 2024 to approximately RMB2,015.1 million as at December 31, 2025, mainly due to (i) certain lease cessation subsequent to the asset divestiture overseas; and (ii) the scheduled amortization during the year.

Goodwill

Both as at December 31, 2025 and 2024, the goodwill of the Group amounted to approximately RMB1,529.9 million, arising from acquisitions of subsidiaries and business in the previous years.

Intangible Assets

The intangible assets of the Group mainly include technologies and customer relationships arising from acquisitions, patents and licenses held by the Group, and self-developed software. The intangible assets of the Group increased by 5.6% from approximately RMB442.4 million as at December 31, 2024 to approximately RMB467.2 million as at December 31, 2025, mainly due to (i) capitalization of costs of self-developed software; and (ii) an increase in patents and licenses.

Investment of an Associate Measured at FVTPL

The investment of an associate measured at FVTPL of the Group represents the equity interest held in Shanghai Duoning Biotechnology Co., Ltd. ("**Duoning**"). The balance of investment in Duoning decreased by 9.1% from approximately RMB1,266.6 million as at December 31, 2024 to approximately RMB1,151.8 million as at December 31, 2025, mainly following the fair value revaluation of the investment.

Management Discussion and Analysis



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

The financial assets at FVTPL in the non-current assets of the Group mainly include investments in listed equity securities and unlisted equity investments. The balance increased by 81.0% from approximately RMB1,133.3 million as at December 31, 2024 to approximately RMB2,051.0 million as at December 31, 2025, mainly due to (i) fair value gains on investments in listed equity securities; and (ii) the deployment of new investments, which was partially offset by disposal of certain equity holdings during the year.

The financial assets at FVTPL in the current assets of the Group represent the investments in wealth management products deployed with several reputable banks. The balance increased by 78.0% from approximately RMB523.6 million as at December 31, 2024 to approximately RMB932.0 million as at December 31, 2025, mainly due to an increased investment in wealth management products in WuXi XDC.

Inventories

The inventories of the Group decreased by 9.2% from approximately RMB1,521.7 million as at December 31, 2024 to approximately RMB1,381.3 million as at December 31, 2025, mainly attributable to the Group's WBS — lean operation implementation.

Contract Costs

The contract costs (previously called Service Work in Progress) of the Group increased by 34.7% from approximately RMB1,492.9 million as at December 31, 2024 to approximately RMB2,010.2 million as at December 31, 2025, as a result of the ramping-up of our global operations and the increment of on-going projects.

Trade and Other Receivables

The trade and other receivables of the Group increased by 41.9% from approximately RMB6,240.7 million as at December 31, 2024 to approximately RMB8,852.8 million as at December 31, 2025, primarily due to (i) higher trade receivables and value-added tax recoverable, consistent with the Group's business expansion and revenue growth; and (ii) a US\$30.0 million escrow deposit related to the asset transaction with MSD International GmbH ("**MSD International**") for WuXi Vaccines' Ireland facility.

Contract Assets

The contract assets of the Group decreased by 42.9% from approximately RMB191.9 million as at December 31, 2024 to approximately RMB109.5 million as at December 31, 2025, primarily attributable to its conversion to trade receivables, along with the projects achieving the milestones as stipulated in the contracts with customers during the year.



Management Discussion and Analysis

Assets Classified as Held for Sale

As at December 31, 2024, the Group's assets classified as held for sale, amounting to approximately RMB3,377.1 million, included the assets pertaining to WuXi Vaccines' Ireland facility, which were intended for sale to MSD International at that time. The transaction was completed in the first half of 2025.

Trade and Other Payables

The trade and other payables of the Group increased by 18.3% from approximately RMB2,778.2 million as at December 31, 2024 to approximately RMB3,287.4 million as at December 31, 2025, mainly due to (i) increases in trade payables and payable for purchase of property, plant and equipment, in line with the Group's business expansion; and (ii) an increase in salary and bonus payables, partially offset by a decrease of advance receipt from MSD international as part of the consideration of the asset sale of WuXi Vaccines' Ireland facility.

Contract Liabilities (Current Portion & Non-current Portion)

The contract liabilities of the Group mainly include the advance payments from customers and the unfulfilled performance obligation recognized based on the billing rights as stipulated under contractual terms. The contract liabilities in the current liabilities of the Group increased by 18.3% from approximately RMB2,355.8 million as at December 31, 2024 to approximately RMB2,787.5 million as at December 31, 2025, mainly due to an increase in contracts entered into, combined with management's stringent enforcement of down-payment requirements.

The contract liabilities in the non-current liabilities of the Group represent the advance payment received from customers under long-term contract manufacturing agreements, and the related service obligations are expected be fulfilled beyond twelve months. The contract liabilities in the non-current liabilities of the Group decreased from approximately RMB142.8 million as at December 31, 2024 to nil as at December 31, 2025, following the closure of these agreements.

Lease Liabilities (Current Portion & Non-current Portion)

The aggregated balance of lease liabilities in the current liabilities and non-current liabilities of the Group decreased by 10.5% from approximately RMB2,303.6 million as at December 31, 2024 to approximately RMB2,061.2 million as at December 31, 2025, consistent with the decrease of right-of-use assets as discussed above.

Management Discussion and Analysis



Provisions and Other Non-current Liabilities

As at December 31, 2025, the provisions of the Group pertain to potential claims, including but not limited to warranty claims, arising from asset divestiture transactions (i) approximately US\$18.0 million in respect of WuXi Vaccines' Ireland facility, with the coverage period extending through October 1, 2026, and therefore the amount was presented in "Provisions" in the current liabilities; and (ii) approximately EUR9.7 million in respect of Germany DP facility, of which approximately EUR2.5 million relating to the coverage period extending through December 31, 2031 and was classified as "Other Non-current Liabilities", and the remainder was presented as "Provisions" in the current liabilities, based on the estimated claim settlement schedule.

These provisions represented the management's best estimate, determined based on historical claim experience and the condition of the respective facilities at the time of disposal.

Liquidity and Capital Resources

The Group's combined total of bank balances and cash and time deposits increased by 45.3% from approximately RMB10,186.2 million as at December 31, 2024 to approximately RMB14,800.8 million as at December 31, 2025, mainly due to (i) the net cash inflows generated from operating activities; (ii) the proceeds receiving from two assets divestiture transactions in Europe; (iii) proceeds by WuXi XDC's new share issuance, partially offset by (iv) payment of purchases of property, plant and equipment; (v) investment of time deposits; (vi) repayment of bank borrowings; and (vii) payment on repurchase of shares.

Treasury Policy

The Group maintains a comprehensive suite of funding and treasury policies to effectively manage capital requirements, optimize cash flows, and mitigate associated risks. Working capital and other funding needs are anticipated to be met through diverse sources, which include but is not limited to cash inflow from operating activities, internal and external financing at competitive market rates, and other strategic avenues. This approach ensures financial stability and supports sustainable growth. To strengthen oversight and reduce funding costs, treasury operations are centralized, with all cash transactions executed through reputable financial institutions.

The Group's treasury framework is further designed to address foreign currency risks inherent in its global operations. During its daily activities, the Group has engaged in certain transactions denominated in currencies other than the functional currencies of individual entities, including sales and purchases transactions, borrowings and repayments, etc. Cash and cash equivalents held by the Group are primarily in RMB, USD and EUR. To fully or partially hedge against exchange rate volatility, the Group enters derivative instruments, such as foreign currency forward contracts, with accredited banks.



Management Discussion and Analysis

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2025, there was no other significant investment held by the Company, nor were any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Indebtedness

Borrowings

The aggregated borrowings of the Group decreased by 60.4% from approximately RMB2,636.2 million as at December 31, 2024 to approximately RMB1,042.9 million as at December 31, 2025, mainly due to the repayment of the majority of bank loans in late 2025.

As at December 31, 2025, all bank borrowings were denominated in RMB, with the effective interest rates ranging from 2.0% to 3.9% per annum.

Among all, approximately RMB873.5 million will be due within one year; approximately RMB31.5 million will be due in more than one year but within two years; approximately RMB87.7 million will be due in more than two years but within five years; and approximately RMB50.2 million will be due after five years.

As at December 31, 2025, RMB denominated borrowings of approximately RMB39.1 million was secured against the Group's buildings. The remaining borrowings were unsecured.

Contingent Liabilities and Guarantees

As at December 31, 2025, the Group did not have any material contingent liabilities or guarantees.

Management Discussion and Analysis



Charges of Assets

As at December 31, 2025, the Group has pledged its properties, which have a carrying amount of approximately RMB16.7 million, as collateral for RMB-denominated borrowings totaling approximately RMB39.1 million in China.

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings divided by total equity and multiplied by 100%. Gearing ratio decreased from 5.8% as at December 31, 2024 to 2.0% as at December 31, 2025, mainly due to the repayment of bank loans and an increase in total equity resulting from (i) the net profit reported during the year; and (ii) new share issuance by WuXi XDC.

Non-IFRS Measures

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

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

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

Management Discussion and Analysis

Adjusted Net Profit

	Year ended December 31,	
	2025 RMB million	2024 RMB million
Net Profit	5,733.2	3,945.4
Add: share-based compensation expense	955.1	1,215.6
Add: foreign exchange losses	272.9	97.6
Add: (gains) losses from equity investments, asset divestiture and retirement	(375.2)	138.3
Adjusted Net Profit (Note)	6,586.0	5,396.9
Margin of Adjusted Net Profit	30.2%	28.9%
Adjusted Net Profit Attributable to Owners of the Company	5,640.3	4,784.1
Margin of Adjusted Net Profit Attributable to Owners of the Company	25.9%	25.6%
	RMB	RMB
Adjusted Earnings Per Share		
— Basic	1.40	1.17
— Diluted	1.33	1.12

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

- share-based compensation expense, a non-cash expenditure;
- foreign exchange gains or losses, primarily generated from revaluation of the assets and liabilities denominated in foreign currencies and the fair value change of derivative financial instruments, which the management believes is irrelevant to the Group's core business; and
- gains or losses from equity investments, assets divestiture and retirement, and related one-time costs, which are non-operating items.

Management Discussion and Analysis



EBITDA and Adjusted EBITDA

	Year ended December 31,	
	2025 RMB million	2024 RMB million
Net Profit	5,733.2	3,945.4
Add: income tax expense	1,523.7	889.0
interest expense	143.1	157.6
depreciation	1,589.1	1,496.4
amortization	53.8	59.4
EBITDA	9,042.9	6,547.8
EBITDA Margin	41.5%	35.1%
Add: share-based compensation expense	955.1	1,215.6
Add: foreign exchange losses	272.9	97.6
Add: (gains) losses from equity investments, asset divestiture and retirement	(450.5)	138.3
Adjusted EBITDA	9,820.4	7,999.3
Adjusted EBITDA Margin	45.1%	42.8%

Employee and Remuneration Policies

As of the end of the Reporting Period, the Group employed a workforce totaling 13,252 employees, with 4,885 scientists. Talent retention has continued to be successful, with a key talent retention rate of approximately 96.4%. The staff costs, including Directors' emoluments but excluding any contributions to (i) retirement benefit scheme contributions; and (ii) share-based payment expenses, were approximately RMB5,880.2 million for the year ended December 31, 2025, as compared to approximately RMB5,073.3 million for the year ended December 31, 2024. The remuneration package of employees generally includes salary and bonus elements. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund as applicable to the countries where the Group operates.



Management Discussion and Analysis

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

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

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

KEY EVENTS AFTER THE REPORTING PERIOD

On January 14, 2026, Citigroup Global Markets Asia Limited, for and on behalf of WuXi XDC, made a voluntary conditional cash offer to acquire all the issued shares of BioDlink International Company Limited (東曜藥業股份有限公司) ("**BioDlink**") (other than those shares already owned or agreed to be acquired by WuXi XDC and its concert parties) and cancel all outstanding share options granted by BioDlink (the "**Offers**"), in each case on the terms and conditions set out in the announcement jointly published by the Company, WuXi XDC and BioDlink on the website of HKEX and the Company's website on January 14, 2026 (the "**3.5 Announcement**"). The Offers have become unconditional on March 17, 2026, which means WuXi XDC had received valid acceptances of the Offers being not less than 60% of the voting rights of BioDlink's shares, making the Offers officially effective. The Offers closed on March 31, 2026. Immediately following the close of Offers, WuXi XDC and parties acting in concert with it owned, controlled or had direction over a total of 475,069,724 shares of BioDlink (representing approximately 61.47% of all issued shares of BioDlink), and accordingly, WuXi XDC became a controlling shareholder of BioDlink. For further details, please refer to the 3.5 Announcement, the announcements jointly published by WuXi XDC and BioDlink dated February 4, 2026, February 12, 2026, March 13, 2026, March 17, 2026 and March 31, 2026 and the composite documents and the circular published by WuXi XDC dated February 12, 2026.

Directors and Senior Management



DIRECTORS

Executive Directors

Dr. Zhisheng Chen (陳智勝), aged 53, was appointed as an executive Director and chief executive officer in February 2014 and January 2016, respectively. He joined the Group in June 2011 and also serves as a director of most subsidiaries of the Company. Dr. Chen has been serving as a director of WuXi XDC since December 2020 and was re-designated as a non-executive director since June 2023. He has been appointed as the chairman of the board of WuXi XDC since May 2021. From August 2008 to June 2011, Dr. Chen served as the chief operating officer of Shanghai Celgen Bio-Pharmaceutical Co., Ltd. (上海賽金生物醫藥有限公司), and was responsible for the development, manufacturing and quality control of biologics. From November 2005 to August 2008, Dr. Chen served as a director and senior engineering consultant of Eli Lilly and Company, a global pharmaceutical company listed on NYSE (stock code: LLY) ("**Eli Lilly**"), and was responsible for running a clinical manufacturing facility and providing technical guidance to biologics development and manufacturing. From June 2000 to November 2005, Dr. Chen served as a process engineer and manager of Merck & Co., Inc., a pharmaceutical company listed on NYSE (stock code: MRK), and was responsible for providing technical support and trouble-shooting manufacturing issues of biologics and recombinant vaccines. Dr. Chen obtained a bachelor's degree in chemical engineering from Tsinghua University in 1994 and a Ph.D. degree in chemical engineering from University of Delaware in 2000.

Dr. Sherry Xuejun Gu, aged 55, was appointed as an executive Director in June 2025. She is Chief Technology Officer and Executive Vice President of the Company. She joined the Company in 2017 as the Vice President of CMC Management for the West Coast of the United States, and expanded her responsibilities to include the East Coast of the United States in 2019 and Europe in 2021. During such period, she led numerous early and late-stage CMC projects directly and achieved several project IND, PPQ and approval milestones, including from DNA to EUA (Emergency Use Authorization) approval of Sotrovimab through the VIR-GSK collaboration in the combat of the worldwide COVID-19 pandemic.

Dr. Gu received her Ph.D. in Biochemical Engineering from Massachusetts Institute of Technology and has been working in the biopharmaceutical field for over 29 years, including 2 years at Bristol Myers Squibb and 18 years at Eli Lilly prior to joining the Company.



Directors and Senior Management

Non-executive Directors

Dr. Ge Li (李革), aged 59, has been the Chairman and non-executive Director of the Company since February 2014. Dr. Li is primarily responsible for providing overall guidance on business and corporate strategies of the Group. Dr. Li has also been serving as the chairman and the chief executive officer of WuXi AppTec since December 2000. Dr. Li obtained a bachelor's degree in chemistry from Peking University in Beijing and a Ph.D. degree in organic chemistry from Columbia University in New York city.

Mr. Yanling Cao (曹彦凌), aged 42, was appointed as a non-executive Director in May 2016. He is primarily responsible for providing guidance on corporate strategy and governance to the Group. He joined the Group in May 2016. Prior to joining the Group, Mr. Cao has been serving as the managing director of Boyu Capital Advisory Co. Limited since March 2011 and currently serves as a partner, mainly responsible for investments in the healthcare industry. From December 2007 to January 2011, Mr. Cao served as an investment professional of General Atlantic LLC, and was responsible for private equity and venture capital investment. From July 2006 to November 2007, Mr. Cao served as an investment banker of Goldman Sachs Asia LLC, and was responsible for providing investment banking advisory services to clients in Asia. In addition, Mr. Cao served as a director of CStone Pharmaceuticals (基石藥業), a company listed on the Main Board of the Stock Exchange (stock code: 2616), from April 2016 to March 2017 and a non-executive director from May 2019 to January 2023. Mr. Cao has been serving as a non-executive director of Ocumension Therapeutics (歐康維視生物), a company listed on the Main Board of the Stock Exchange (stock code: 1477), since June 2019. Mr. Cao obtained a bachelor's degree in economics and mathematics from Middlebury College in the United States in June 2006.

Ms. Jingwen Miao (繆靜雯), aged 39, was appointed as a non-executive Director in November 2024. She is currently a managing director at Temasek Capital (China) Holdings Pte. Ltd., where she joined in October 2014, and is responsible for overseeing investment efforts in the life sciences sector in China. Ms. Miao began her career in 2008 with Morgan Stanley Investment Banking Division, focusing on providing financial advisory services to clients in the transportation and industrials sectors. In 2010, she entered the private equity industry and joined The Carlyle Group's Asia Buyout Fund focusing on investment in various sectors including healthcare, consumer, retails and industrials. Ms. Miao obtained a bachelor's degree in business administration from Fudan University in 2008.

Directors and Senior Management



Independent Non-Executive Directors

Mr. William Robert Keller, aged 78, was appointed as an independent non-executive Director on May 17, 2017. He has more than 40 years of experience in managing operations in South America and Asia, particularly in pharmaceutical and biotechnology sectors. Mr. Keller spent 16 years in different management positions with Roche in South America, where he served as managing director of Roche Hong Kong with regional responsibilities from 1990 to 1994 and subsequently as General Manager for Roche China Holding and Shanghai Roche from 1994 to 2003, where he established and built up the Roche business in China.

From February 2003 to June 2014, Mr. Keller served as the founder and principal of Keller Pharma Consultancy (Shanghai) Co. Ltd., advising on market entry and strategy consulting. From March 2003 to June 2014, Mr. Keller was appointed as deputy general manager of Shanghai Zhangjiang Biotech and Pharmaceutical Base Development Co. Ltd, focusing on pharmaceutical and biotechnological industry development.

From June 1997 to December 2013, Mr. Keller served as deputy chairman of the Shanghai Association of Enterprises with Foreign Investment, advising and supporting foreign invested companies as a business advisor. From March 2003 to December 2013, he served as a senior consultant of the Shanghai Foreign Investment Development Board, providing advice regarding foreign investment development. From May 2007 to April 2010, Mr. Keller served as chairman of HBM Biomed China Partners Ltd., overseeing investments in biotechnology companies.

From December 2007 to December 2014, Mr. Keller served as director and later a supervisor of TaiGen Biopharmaceuticals Holding Limited, a company listed on the Taiwan Stock Exchange (stock code: 4157). From December 2009 to May 2015, Mr. Keller served as independent non-executive director of Alexion Pharmaceuticals, Inc., a company listed on NASDAQ (stock code: ALXN). Since September 2018, Mr. Keller has been serving as an independent non-executive director of Hua Medicine, a company listed on the Main Board of the Stock Exchange (stock code: 2552). Mr. Keller served as a director of Cathay Biotech Inc., a company listed on the Shanghai Stock Exchange STAR Market (stock code: 688065) from August 2020 to August 2025.

Mr. Keller obtained a Bachelor of Science's degrees from the School of Economics and Business Administration in Zurich, Switzerland, in July 1972. He is an Honorary Citizen of Shanghai.



Directors and Senior Management

Mr. Kenneth Walton Hitchner III, aged 66, was appointed as an independent non-executive Director on June 9, 2020. He has more than 30 years of experience in corporate finance. He served as the Chairman and Chief Executive Officer of The Goldman Sachs Group, Inc. in Asia Pacific Ex-Japan before his retirement in 2019. He was also a member of Goldman Sachs' Management Committee and co-chaired its Asia Pacific Management Committee. Previously, Mr. Hitchner served as President of Goldman Sachs in Asia Pacific Ex-Japan from 2013 to 2017. Prior to relocating to Hong Kong, he was global head of Goldman Sachs' Healthcare Banking Group and global co-head of its Technology, Media and Telecom Group. He was named managing director in 2000 and partner in 2002. He became head of the global medical device banking practice in 1998 and head of the global pharmaceutical banking practice in 2001. He began his career with Goldman Sachs' Corporate Finance Department in 1991. Mr. Hitchner has been serving as a director of the alternative investment management firm Elements Advisors SPV since May 2020. He has joined Global Advisory Board of the global early-stage venture capitalist Antler since January 2021. Since February 11, 2021, Mr. Hitchner has been serving as the chairman of the board of HH&L Acquisition Co., a company listed on NYSE (stock code: HHLA) and delisted in 2024. Mr. Hitchner has been serving as a non-executive director of CStone Pharmaceuticals since December 10, 2021. Mr. Hitchner has also been serving as an independent non-executive director of WuXi XDC since November 21, 2024. Mr. Hitchner obtained a bachelor's degree in arts from the University of Colorado in 1982 and a master's degree in business administration (MBA) as a merit fellow from Columbia University Business School in 1992.

Mr. Jackson Peter Tai, aged 75, was appointed as an independent non-executive Director on May 6, 2023. Mr. Tai has over 50 years of subject matter and governance experience in finance and risk management in the banking and pharmaceutical industries. Mr. Tai has been serving as an independent non-executive director of Pony AI Inc. (NASDAQ: PONY and Main Board symbol 2026) since November 2024. Most recently, he retired as independent non-executive director for three publicly listed companies — Eli Lilly after for 10 years of service, Mastercard Incorporated (New York Stock Exchange stock symbol MA) after 15 years of service, and HSBC Holdings plc (London Stock Exchange stock symbol HSBA, and Main Board of the Stock Exchange stock symbol 0005) after 7 years of service including as Chairman of the Group Risk Committee. Mr. Tai has served as independent non-executive director on other publicly listed companies, including Royal Philips NV, the Bank of China, NYSE Euronext, ING Groep NV, DBS Group, Singapore Airlines, CapitaLand, and Singapore Telecommunications. He was also a director of privately held Canada Pension Plan Investment Board and Russell Reynolds Associates. In terms of management experience, Mr. Tai was Chief Financial Officer in 1999, later President and Chief Operating Officer in 2001, and then Vice Chairman and CEO for DBS Bank and DBS Holdings till 2007. Before that he was an investment banker for J.P. Morgan & Co. Incorporated for 25 years from 1974 to 1999, during which he laterally held management responsibilities including as Chairman of the Western US Management Committee (1995, in San Francisco), Chairman of Asia-Pacific Management Committee (1992, in Tokyo), Global Head of Real Estate Investment Banking (1986, in New York), and Head of Japan Capital Markets (1983, in Tokyo). On the not-for-profit side, Mr. Tai is currently

Directors and Senior Management



a member of the Harvard Business School Asia-Pacific Advisory Board, and of the boards of The Metropolitan Opera, New York Philharmonic, and Rensselaer Polytechnic Institute. Mr. Tai obtained a bachelor of science degree in management from Rensselaer Polytechnic Institute in 1972 and a master's degree in business administration (MBA) from Harvard University in 1974.

Dr. Jue Chen, aged 56, was appointed as an independent non-executive Director on August 16, 2023. Dr. Chen is a biologist and possesses decades of experience in the biology related sectors. Dr. Chen is currently the William E. Ford Professor at The Rockefeller University, where she has joined since 2014. Dr. Chen has also been serving as an investigator at Howard Hughes Medical Institute since 2008. Prior to such, Dr. Chen joined Purdue University as an assistant professor in 2002, then promoted to an associate professor in 2007 and subsequently served as a professor from 2011 to 2014. Dr. Chen was elected to the National Academy of Sciences in 2019. Dr. Chen obtained her bachelor of science's degree in chemistry from Ohio University in 1993 and Ph.D. degree in biochemistry from Harvard University in 1998. She completed her postdoctoral work at Harvard University from 1998 to 1999 and at Baylor College of Medicine from 1999 to 2001.

SENIOR MANAGEMENT

For the biographies of Dr. Zhisheng Chen (陳智勝) and Dr. Sherry Xuejun Gu, please refer to "Directors — Executive Directors".

Mr. Ming Tu (屠鳴), aged 57, is Executive Vice President and Chief Financial Officer ("CFO") of the Company. Serving as Co-CFO and then CFO since August 23, 2021, Mr. Tu is responsible for overseeing the Group's financial strategies, performance, reporting and business planning, as well as functional support, such as treasury, tax, controllership and investor relations.

Mr. Tu has more than 30 years of experience in management and corporate finance. Prior to joining the Group, Mr. Tu had served as the CFO of General Electric ("GE") China and other senior management positions within GE group for around 24 years at different business units in China, the United States, Japan and other global locations. Since August 2019, he had served as the CFO of the Home Credit China, one of the largest consumer finance companies in China. Mr. Tu obtained a bachelor's degree in computer science from Fudan University, attended Wake Forest University and University of Akron, and obtained a master of business administration degree in finance and a master of science degree in information systems management. He is a graduate of GE's Executive Financial Leadership Program (EFLP) and a certified Six Sigma black belt.



Directors and Senior Management

Dr. Jijie Gu (顧繼傑), aged 60, serves as President of Global Biologics Research and Chief Scientific Officer of the Company. Dr. Gu brings more than 20 years of drug research and development expertise and extensive management experience to the firm. He has significant expertise in target discovery, therapeutic design, protein engineering, preclinical drug discovery and early clinical development.

Prior to joining the Company, Dr. Gu served as a function head at AbbVie Cambridge Research Center, where he led target validation and lead discovery in AbbVie Immunology for both small and large molecule drugs. Before that, he was a function head of Oncology Biologics in Global Biologics at AbbVie Bioresearch Center.

While at Abbott/AbbVie, Dr. Gu made critical contributions to building antibody platform technologies. He led the construction of novel biologics platform technologies, including Fc engineering, ADC technology, TCR technology, bispecific and multispecific antibody technologies and T cell engagers. He also led projects in multiple therapeutic areas relating to oncology, immunology, immuno-oncology, metabolic disease, neuroscience and ophthalmology, and contributed broadly to AbbVie Biologics portfolio and delivered several New Biological Entities (NBEs) into clinical development.

Throughout his extensive career, Dr. Gu has co-invented more than 20 filed and issued U.S. patents and has coauthored 40 publications. He currently serves on the editorial boards of the peer-reviewed journals Antibody Therapeutics.

Dr. Gu obtained his Ph.D. in Molecular Biology and Biochemistry from Peking Union Medical School. He received postdoctoral training in Tumor Immunology at the Dana Farber Cancer Institute, a principal teaching affiliate of Harvard Medical School, and in Cancer Cell Biology at the Harvard School of Public Health.

Mr. Jian Dong (董健), aged 62, joined the Company in 2014, is the CEO of WuXi Vaccines.

Mr. Dong has over 30 years' experience in bio-pharmaceutical production and process development. He has extensive experience managing the design, construction, qualification and operation of new current GMP (cGMP) biologics manufacturing facilities.

Prior to joining the Company, Mr. Dong served as Deputy Chief Engineer at Shenzhen Kangtai Biological Products, Senior Process Engineer at Eli Lilly, Vice President of Manufacturing and Vice President of Quality at Shanghai Celgen and Deputy General Manager of Unilab Bioscience and Shanghai United Cell Biotechnology, the subsidiaries of UNILAB.

Mr. Dong obtained his Master's degree in Biology from Wuhan University in China and his MBA from Webster University in the United States. He was granted a Senior Pharmaceutical Engineer certification by the Personnel Department of Guangdong Province in 1996.

Directors and Senior Management



Dr. Wei Guo, aged 45, is Senior Vice President and Head of Global Manufacturing Department of the Company. She joined the Group in 2014 and held various management positions, including DS manufacturing, overseas process development, and project management.

Dr. Guo has over 16 years of experience in process development, manufacturing, and project management in biopharmaceutical and healthcare fields. Prior to joining the Company, she had worked at AgaMatrix in the U.S., where she was engaged in production support, process improvement, and new facility launch for medical devices.

Dr. Guo received her Bachelor's and Master's Degrees in Chemical Engineering from Tsinghua University and her Ph.D. in Chemical Engineering from Massachusetts Institute of Technology. Dr. Wei Guo received Lean Six Sigma Black Belt Certificate from Villanova University.

Dr. Juergen Hinderer, aged 61, is Senior Vice President and Head of Global Engineering Department of the Company. In addition, he is a Managing Director of WuXi Biologics Germany GmbH. Dr. Hinderer has over 30 years of experience in project management and engineering, technical, and commercial operations in the petrochemical, chemical, and life science industries around the world. Prior to joining the Company, Dr. Hinderer held leading positions in Bayer, AkzoNobel, and Nouryon. Dr. Hinderer obtained his Master's degree in Process Engineering from University of Stuttgart and his Ph.D. in Chemical Engineering from Technical University of Hamburg.

Dr. William Aitchison, aged 71, is Senior Vice President and Head of US Operations Department and Worcester site of the Company.

Dr. Aitchison has over 30 years of experience in the development and manufacturing of vaccines and biopharmaceutical products. Prior to joining the Company, Dr. Aitchison was Senior Vice President, Technical Operations for TESARO (GSK), Senior Vice President of Global Manufacturing Operations at Sanofi Genzyme and Senior Vice President of Global Manufacturing Operations at Sanofi Pasteur.

Dr. Aitchison obtained his Master's degree from the University of Toronto School of Pharmacy and his Ph.D. in Cell Biology from the University of Ottawa, Canada.



Directors and Senior Management

Mr. Angus Scott Marshall Turner, aged 58, is Senior Vice President and Head of Global Business Development and Alliance Management at the Company. Mr. Turner, who joined the Company in 2016, is responsible for business development, strategic alliances and partnerships.

Prior to joining the Company, Mr. Turner served from 2010 to 2016 as Director of Sales Europe and Asia for Lonza AG, a Swiss supplier of products and services to the global pharmaceutical, healthcare and life science industries. In addition to building the sales team there, he oversaw the successful implementation of sales strategies across all technologies in the contract manufacturing business unit. Before working at Lonza AG, Mr. Turner was Director of Business Development Europe and Asia for AppTec Laboratory Services, Inc. with a focus on biopharmaceutical and medical device testing, as well as biologics-based manufacturing and related services. Upon the acquisition of AppTec Laboratory Services, Inc. by WuXi PharmaTech in 2008, Mr. Turner served as Director of International Biopharmaceutical Business Development for WuXi PharmaTech. Mr. Turner also worked for Bayer AG for several years in sales and marketing, including supporting the launch of Kogenate® FS Antihemophilic Factor (Recombinant).

Mr. Turner obtained a bachelor's degree in biology from Stirling University, a master's degree in biotechnology from Strathclyde University and an MBA from Warwick Business School, with a scholarship to Copenhagen Business School.

Mr. Ing Hou Loh (羅仁豪), aged 54, is Senior Vice President and Head of Global Quality Department of the Company. He joined the Company as Senior Director of Quality Assurance in August 2018. He advanced to the position of Vice President in 2020 and was designated as Head of Quality Assurance for the Mashan facilities. His responsibilities further expanded when he became the QA Head for China Manufacturing, Suzhou Biosafety lab, Singapore and US (KOP and MFG18) in 2021. Over the years, under his guidance, the Company's facilities have successfully passed numerous regulatory evaluations conducted by entities such as the U.S. FDA, EU EMA, China NMPA, PMDA, MFDS, COFEPRIS, and others.

With over 27 years of professional experience in the bio-pharmaceutical sector, Mr. Loh carries a wealth of expertise from various esteemed organizations, including Schering-Plough, Genentech/Roche (Singapore), and CMAB Biopharma (Suzhou).

Mr. Loh holds a Bachelor of Science Degree majoring in Medical Technology from National Yang Ming University in Taiwan. In 2012, he further enhanced his qualifications by completing the Quality Professional Certification Program (QCP) provided by Roche.

Directors' Report



The Directors are pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of end-to-end solutions and services for biologics discovery, development and manufacturing to customers involving in biologics industry.

A list of the Company's subsidiaries, together with their places of incorporation, principal activities and particulars of their issued shares/paid up capital, is set out in note 45 to the consolidated financial statements in this annual report.

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion and analysis on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of the Group's business are set out in the sections headed "Chairman and CEO Statement" on pages 4 to 5 of this annual report, "Financial Highlights" on page 6 of this annual report, and "Management Discussion and Analysis" on pages 7 to 36 of this annual report. The financial risk management objectives and policies of the Group are set out in note 39 to the consolidated financial statements in this annual report. Significant events that have an effect on the Group subsequent to the financial year ended December 31, 2025 are set out in note 49 to the consolidated financial statements in this annual report. All the above sections shall form an integral part of this directors' report.

DIRECTORS

The Directors during the Reporting Period and up to the date of this Directors' Report were:

Executive Directors

Dr. Zhisheng Chen (*Chief Executive Officer*)
Dr. Sherry Xuejun Gu (*Chief Technology Officer*) (*appointed on June 6, 2025*)

Non-executive Directors

Dr. Ge Li (*Chairman*)
Dr. Weichang Zhou (*retired on June 6, 2025*)
Mr. Yanling Cao
Ms. Jingwen Miao



Directors' Report

Independent non-executive Directors

Mr. William Robert Keller
Mr. Kenneth Walton Hitchner III
Mr. Jackson Peter Tai
Dr. Jue Chen

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" on pages 37 to 44 of this annual report.

SERVICE CONTRACTS OF THE DIRECTORS

Each of the Directors has entered into a three-year service contract with the Company, subject to termination before expiry by either party giving not less than three months' notice in writing to the other.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF THE DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the Directors' remuneration and the five highest paid individuals in the Group are set out in note 12 to the consolidated financial statements in this annual report.

No Director has waived or has agreed to waive any emoluments during the year ended December 31, 2025.

Directors' Report



CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes in Directors' information after the publication of the 2025 interim report are set out below:

- Mr. William Robert Keller ceased to be a director of Cathay Biotech Inc., a company listed on Shanghai Stock Exchange STAR Market (stock code: 688065) in August 2025.

Save as disclosed above and in this annual report, there were no changes in information which are required to be disclosed and had not been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Saved as disclosed in this annual report, as at December 31, 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, there was no transaction, arrangement or contract of significance subsisted in which a Director or an entity connected with a Director was materially interested, whether directly or indirectly, during or at the end of the Reporting Period.



Directors' Report

CONNECTED TRANSACTIONS

During the Reporting Period, the Group entered into the following non-exempt connected transactions (including continuing connected transactions):

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

On November 3, 2023, WuXi XDC entered into the 2023 Payload-Linkers Master Services Agreement for the provision of research, development and manufacturing services in relation to payload-linkers and supply of the related intermediate products to the XDC Group for use in their ADC CRDMO services. The 2023 Payload-Linkers Master Services Agreement was effective from November 17, 2023 to December 31, 2025.

For each of the two years ended December 31, 2024 and 2025, the total amount payable by the XDC Group under the 2023 Payload-Linkers Master Services Agreement shall not exceed the annual caps of RMB182.0 million and RMB168.0 million, respectively. On September 2, 2025, the board of directors of WuXi XDC resolved to revise the original annual cap in respect of the transactions under the 2023 Payload-Linkers Master Services Agreement to RMB200.0 million. Save for the aforesaid amendment, all other terms and conditions of the 2023 Payload-Linkers Master Services Agreement remained unchanged. The actual amount incurred during the Reporting Period was RMB169.9 million.

On September 2, 2025, WuXi XDC renewed the 2023 Payload-Linkers Master Services Agreement by entering into the 2026 Payload-Linkers Master Services Agreement. The 2026 Payload-Linkers Master Services Agreement is effective from January 1, 2026 to December 31, 2028. The principal terms of the 2026 Payload-Linkers Master Services Agreement are substantially the same as those of the 2023 Payload-Linkers Master Services Agreement. For each of the three years ending December 31, 2026, 2027 and 2028, the total amount payable by the XDC Group under the 2026 Payload-Linkers Master Services Agreement shall not exceed the annual caps of RMB300.0 million, RMB400.0 million and RMB400.0 million, respectively. For details, please refer to the prospectus of WuXi XDC dated November 7, 2023 and the announcements of the Company dated March 31, 2024 and September 2, 2025.

Directors' Report



As at the date of this annual report, STA Pharmaceutical Hong Kong Investment Limited is a substantial shareholder of WuXi XDC and hence, a connected person of the Company at the subsidiary level. Accordingly, the 2023 Payload-Linkers Master Services Agreement, the 2026 Payload-Linkers Master Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the above mentioned continuing connected transactions and confirmed that such transactions have been entered into: (1) in the ordinary and usual course of business of the Group; (2) on normal commercial terms or better; and (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company was engaged to report on the Group's above-mentioned continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued an unmodified letter containing the conclusions in respect of the above-mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, none of the related party transactions set out in note 43 to the consolidated financial statements constitute "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules. In respect of the above-mentioned non-exempt connected transactions (including the continuing connected transactions), the Directors also confirmed that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

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



Directors' Report

RISK MANAGEMENT

The Company believes that sound risk management is essential to the Group's efficient and effective operation. Abiding by the principles of compliant operations, the Company's risk management system assists the Board in evaluating material risk exposure arising internally and externally from the Group's business, including operational risks, financial risks, regulatory risks, etc. and proactively setting up appropriate risk management and internal control mechanism which is embedded in daily operation management.

Regulatory Risk

The biologics industry, being a division of the pharmaceutical and healthcare industry, has continued to experience drastic changes in recent years. Since 2024, China NMPA has introduced more new policies to better meet the people's demand for high-quality drugs and medical devices. To name a few, the introduction of the divided manufacturing pilot program, the exploratory on the digitalization approaches to improve the efficiency of the approval of drug applications, etc.

In response to all of the above, the Group sticks to the "Globalization" strategy to handle the ever-changing regulations. The Group has a dedicated regulatory affairs team which comprises professionals with years of experience and diversified backgrounds in both domestic and overseas markets. The team members are responsible for actively monitoring and following new global legislation, regulations and guidelines published by global regulatory agencies and promoting improvements in compliance with such regulations and guidelines.



Risks related to Global Politics, International Trade and Regulations

The Group operates globally and, as such, its operations could be impacted by global and regional changes in macro-economic, geopolitical and social conditions, and regulatory environments.

The Group has diversified its geographic sources of revenue and profit to reduce its dependency on any single country or region. It continuously monitors the external environment, and develops action plans and conducts sensitivity and scenario analyses to position the Group for favorable outcomes. The Group also vigilantly monitors political developments and adapts its strategy to address the shifting dynamics of regions and countries. It follows closely legal and regulatory changes to maintain stringent compliance programs.

Interest Rate Risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and fixed-rate pledged bank deposits and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits and variable-rate bank borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within a reasonable range.

Credit Risk

During the Reporting Period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position. In order to minimize the credit risk, the management has designated a team responsible for reviewing and monitoring the credit exposure of its customers by evaluating customers' credit qualification, strengthening management of customer advance payments, monitoring credit records, sending confirmations and initiating collection procedures including taking litigation actions when necessary and with the involvement of senior management, to promptly recover overdue debts. With more new customers being introduced, and more uncertainties in the future global politics and economics, the management has also made efforts to prudently assess credit limits, approve credit term granted and other monitoring procedures to monitor the overall risk exposure. The management has been continuously managing the credit risk through periodic review and monitoring doubtful debts.



Directors' Report

The Board assesses that credit risk associated with time deposits, pledged bank deposits, bank balances, and wealth management products remains low. This is attributable to the predominance of counterparties with established reputations and high credit ratings, including leading banks and top-tier global financial institutions. In addition, to regulate the management of surplus fund, the Group has set up relevant policies and procedures, which clearly state that no speculative transaction is allowed. Also, the criteria for evaluating the available products in the market are set out in the following sequence of priority: safety, liquidity and returns. Other requirements like the approved list of financial institutions, the maximum placement per transaction and the aggregate amount in any individual financial institution are also clearly defined. With all of the above, the Directors consider the credit risk in relation to time deposits, pledged bank deposits, bank balances and wealth management products has been significantly reduced.

Currency Risk

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

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



Data Privacy and Data Security Risk

Data is heavily regulated and data compliance has become an essential topic, especially for companies who operate globally. We have to comply with all applicable data laws and regulations in different jurisdictions where we operate. Such data rules are fast evolving and government authorities have become more aggressive on enforcement actions.

We attach great importance to data protection and data compliance and have established our data compliance program to monitor the relevant risk. The Company has established solid policies and practices for protecting local data and trade secrets.

Nevertheless, we may still face unforeseen or uncontrollable threats to our data and systems, such as computer viruses, malicious code, phishing, ransomware, hacker attacks and other information security threats. With the diversity of sources and technologies of network attacks, we may not be able to anticipate all types of security threats or to establish effective preventive measures against every potential risk. Consequently, the management is continuously monitoring these risks and remains committed to allocating additional resources and investments toward ongoing risk management and security enhancement.

Natural Disasters, Outbreaks of Epidemics and Other Force Majeure Events

Natural disasters, outbreaks of epidemics and other force majeure events could endanger our personnel and potentially cause negative business impact, such as interrupting business services. The Company has established a robust Business Continuity Management System ("**BCMS**") to ensure operational resilience and the continuity of critical operations. By adopting a structured PDCA (Plan-Do-Check-Act) cycle, the Company proactively identifies internal and external influencing factors, force majeure risks, as well as stakeholder needs and expectations, systematically updates its business impact analysis, risk assessments, business continuity strategy, emergency response and business continuity plans, and conducts regular and cross-functional exercises. In 2025, the Company successfully obtained ISO 22301 BCMS certification, covering the full spectrum of CRDMO business.

Directors' Report

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

As at December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares and underlying Shares of the Company

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Number of Shares ⁽¹⁾	Number of Underlying Shares	Aggregate Interest ⁽¹⁾	Approximate Percentage of Shareholding Interest ⁽²⁾
Dr. Ge Li	Interests of controlled corporations	509,962,633 (L) ^{(3) (4)}	—	509,962,633 (L)	12.34%
Dr. Zhisheng Chen	Beneficial owner and founder of a discretionary trust	45,891,543 (L) ⁽⁵⁾	6,160,084 restricted shares (L) ⁽⁶⁾ 17,532,000 share options (L) ⁽⁷⁾	69,583,627 (L)	1.68%
Dr. Sherry Xuejun Gu	Beneficial owner	1,295,951 (L)	1,047,844 restricted shares (L) ⁽⁶⁾	2,343,795 (L)	0.06%
Mr. Kenneth Walton Hitchner III	Beneficial owner	203,205 (L)	—	203,205 (L)	0.00%
Mr. Jackson Peter Tai	Beneficial owner	25,700 (L)	—	25,700 (L)	0.00%
Mr. William Robert Keller	Beneficial owner	21,899 (L)	—	21,899 (L)	0.00%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) As at December 31, 2025, the total number of Shares in issue is 4,133,579,013 Shares.
- (3) Dr. Ge Li controlled approximately 19.66% of the total issued share capital of Biologics Holdings and approximately 55.03% of the total voting power at general meetings of Biologics Holdings. Hence, he was indirectly interested in approximately 2.38% of the total number of issued Shares, and controlled the voting power attached to 501,251,133 Shares held by Biologics Holdings, representing approximately 12.13% of the total number of issued Shares.

Directors' Report



- (4) Dr. Ge Li entered into an acting-in-concert agreement dated June 30, 2016 with Mr. Zhaohui Zhang and Mr. Xiaozhong Liu to acknowledge and confirm their acting-in-concert relationship in relation to the Company.
- (5) Among the 45,891,543 Shares, 43,404,780 Shares were held by Dr. Zhisheng Chen through a trust of which Dr. Zhisheng Chen is the settlor (founder) and his spouse and child are the beneficiaries.
- (6) Interests in restricted shares granted pursuant to the Restricted Share Award Scheme and/or Global Partner Program Share Scheme.
- (7) Interests in share options granted pursuant to the Pre-IPO Share Option Scheme.

Interests in associated corporation(s) of the Company

Name of Director	Name of Associated Corporation	Capacity/ Nature of Interest	Number of shares ⁽¹⁾	Approximate Percentage of Shareholding Interest
Dr. Zhisheng Chen	WuXi XDC ⁽²⁾	Beneficial owner and founder of a discretionary trust	418,878 (L) ⁽³⁾	0.03% ⁽⁴⁾
Dr. Sherry Xuejun Gu	WuXi XDC ⁽²⁾	Beneficial owner	114,500 (L)	0.01% ⁽⁴⁾

Notes:

- (1) The letter "L" denotes the person's long position in the shares.
- (2) WuXi XDC is a subsidiary of the Company, and therefore, is an associated corporation of the Group within the meaning of Part XV of the SFO.
- (3) Among the 418,878 shares, 415,636 shares were held by Dr. Zhisheng Chen through a trust of which Dr. Zhisheng Chen is the settlor (founder) and his spouse and child are the beneficiaries.
- (4) As at December 31, 2025, the total number of shares of WuXi XDC in issue is 1,255,240,986 shares.

Save as disclosed above, as at December 31, 2025, so far as it was known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares of the Company

As at December 31, 2025, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

Interests in Shares and underlying Shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding Interest ⁽²⁾
Dr. Ge Li	Interests of controlled corporations	509,962,633 (L) ⁽³⁾⁽⁴⁾	12.34%
Mr. Zhaohui Zhang	Interests of parties acting in concert	509,962,633 (L) ⁽⁴⁾	12.34%
Mr. Xiaozhong Liu	Interests of parties acting in concert	509,962,633 (L) ⁽⁴⁾	12.34%
Life Science Holdings	Interests of controlled corporations	501,251,133 (L) ⁽⁵⁾	12.13%
Life Science Limited	Interests of controlled corporations	501,251,133 (L) ⁽⁵⁾	12.13%
WuXi PharmaTech	Interests of controlled corporations	501,251,133 (L) ⁽⁵⁾	12.13%
Biologics Holdings	Beneficial owner	501,251,133 (L) ⁽⁵⁾	12.13%
BlackRock, Inc.	Interests of controlled corporations	241,562,139 (L)	5.84%
		1,506,000 (S)	0.04%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares; and the letter "S" denotes the person's short position in the Shares.
- (2) As at December 31, 2025, the total number of Shares in issue is 4,133,579,013 Shares.
- (3) Dr. Ge Li controlled approximately 19.66% of the total issued share capital of Biologics Holdings and approximately 55.03% of the total voting power at general meetings of Biologics Holdings. Hence, he was indirectly interested in approximately 2.38% of the total number of issued Shares, and controlled the voting power attached to 501,251,133 Shares held by Biologics Holdings, representing approximately 12.13% of the total number of issued Shares.
- (4) Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu entered into an acting-in-concert agreement on June 30, 2016 to acknowledge and confirm their acting-in-concert relationship in relation to the Company. Hence, Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu are deemed to be interested in the Shares held by each other.
- (5) Life Science Holdings wholly owned Life Science Limited, which wholly owned WuXi PharmaTech, which in turn controlled 44.97% of the voting power at general meetings of Biologics Holdings. Biologics Holdings directly owned 501,251,133 Shares. Life Science Holdings, Life Science Limited and WuXi PharmaTech are deemed to be interested in the Shares held by Biologics Holdings.



PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme pursuant to the resolutions of its Shareholders passed on January 5, 2016, which was subsequently amended on August 10, 2016 pursuant to the resolutions of the Board.

The purpose of the Pre-IPO Share Option Scheme is to attract, retain and motivate employees, Directors and such other participants of the Group, to provide a means of compensating them through the grant of options under the Pre-IPO Share Option Scheme for their contribution to the growth and profits of the Group, and to allow them to participate in the growth and profitability of the Group. Participants of the Pre-IPO Share Option Scheme include (a) any employee (whether full-time or part-time) of the Company or its subsidiaries, including any executive Director, (b) any non-executive Director or independent non-executive Director of the Company appointed or proposed to be appointed prior to the Listing Date, or any director of any of the subsidiaries, and (c) any other person who in the sole opinion of the Board, will contribute or have contributed to the Group. No further option would be granted under the Pre-IPO Share Option Scheme on or after the Listing Date. The life of the Pre-IPO Share Option Scheme is 10 years from the date of adoption. There are no more securities available for grant under the Pre-IPO Share Option Scheme on or after the date on which the Shares of the Company are listed. As at the date of this annual report, the total number of Shares available for issue under the Pre-IPO Share Option Scheme is 31,944,039 Shares, representing approximately 0.77% of the total number of issued Shares.

Directors' Report

The table below shows details of the movements in the share options granted under the Pre-IPO Share Option Scheme during the Reporting Period.

Category of Participants	Date of Grant	Exercise Price	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed/ Forfeited/ Cancelled during the Reporting Period	Outstanding as at December 31, 2025	Exercise Period
Directors								
Dr. Zhisheng Chen	January 7, 2016	US\$0.1667	85,000,000	—	85,000,000	—	—	10 years
	March 15, 2017	US\$0.3400	17,532,000	—	—	—	17,532,000	10 years
			102,532,000	—	85,000,000	—	17,532,000	
Dr. Weichang Zhou (retired on June 6, 2025)	January 7, 2016	US\$0.1667	10,596,000	—	10,596,000	—	—	10 years
	March 15, 2017	US\$0.3400	2,493,000	—	—	—	2,493,000	10 years
			13,089,000	—	10,596,000	—	2,493,000	
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	May 12, 2017	US\$0.6000	388,400	—	388,400	—	—	10 years
			388,400	—	388,400	—	—	
Sub-total			116,009,400	—	95,984,400	—	20,025,000	
Employees in aggregate								
230 employees	January 7, 2016	US\$0.1667	14,616,415	—	11,999,736	—	2,616,679	10 years
24 employees	March 28, 2016	US\$0.1667	598,925	—	302,100	—	296,825	10 years
102 employees	August 10, 2016	US\$0.2200	4,356,300	—	597,200	—	3,759,100	10 years
92 employees	November 11, 2016	US\$0.2633	1,251,803	—	161,600	—	1,090,203	10 years
321 employees	March 15, 2017	US\$0.3400	9,203,352	—	1,820,472	—	7,382,880	10 years
73 employees	May 12, 2017	US\$0.6000	1,519,275	—	495,500	36,000 ⁽⁵⁾	987,775	10 years
Sub-total			31,546,070	—	15,376,608	36,000	16,133,462	
Total			147,555,470	—	111,361,008	36,000	36,158,462	



Notes:

- (1) In respect of the options exercised during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$31.20.
- (2) The options granted are exercisable subject to the vesting schedule of 20% on each of the second, third and fourth anniversaries, and 40% on the fifth anniversary, of the date of grant, save as otherwise determined by the Board at its sole discretion.
- (3) 36,000 options were lapsed during the Reporting Period.
- (4) The options granted shall be exercisable during a period from the vesting date of the option until the expiry of 10 years from the date of the grant of the option.

In accordance with the Pre-IPO Share Option Scheme, the total number of Shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue. The exercise price was determined by the Board, as it thought fit taking into account a participant's contribution to the development and growth of the Group.

The options granted under the Pre-IPO Share Option Scheme shall be exercisable during a period from the vesting date of the option until the expiry of 10 years from the date of the grant of the option. Subject to the other terms of the Pre-IPO Share Option Scheme, save as determined otherwise by the Board at its sole discretion, the vesting schedule of the options under the Pre-IPO Share Option Scheme is as follows: (i) 20% of the options shall be vested on the date falling on the second anniversary of the date of grant; (ii) 20% of the options shall be vested on the date falling on the third anniversary of the date of grant; (iii) 20% of the options shall be vested on the date falling on the fourth anniversary of the date of grant; and (iv) 40% of the options shall be vested on the date falling on the fifth anniversary of the date of grant. Participants accepting options granted under Pre-IPO Share Option Scheme have to sign an acceptance letter and pay to the Company an amount of HK\$1.00 as consideration for the grant. Details of the terms and movement of the options granted during the Reporting Period and the impact of options granted under the Pre-IPO Share Option Scheme on the financial statements are set out in the Prospectus and under note 44 to the consolidated financial statements in this annual report.



Directors' Report

RESTRICTED SHARE AWARD SCHEME

The Company has adopted the Restricted Share Award Scheme on January 15, 2018, which was amended and restated on June 27, 2023. The purposes of the Restricted Share Award Scheme are to (i) recognize the contributions by the selected participants; (ii) encourage, motivate and retain the selected participants, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the selected participants to achieve performance goals, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants to the Shareholders through ownership of Shares. The Restricted Share Award Scheme became effective on January 15, 2018. Participants of the Restricted Share Award Scheme include any Director or employee of the Company or any of its subsidiaries. The total number of Shares issued and to be issued pursuant to grant of restricted shares to each participant (including any Shares where the right to acquire such Shares has been vested or lapsed) in any 12-month period shall not exceed 1% of the Shares in issue unless approved by the Shareholders. Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions imposed by the Board as set forth in the notice of award. Participants are not required to pay for the acceptance of the restricted shares. For the purpose of determining the share price of each restricted share under the Restricted Share Award Scheme, it shall be the average closing price of the Company's Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of granting the restricted shares. Subject to earlier termination by the Board, the Restricted Share Award Scheme shall be valid and effective for a period of 10 years from the adoption date. The maximum number of Shares which can be awarded under the Restricted Share Award Scheme is limited to 3% (i.e. 127,452,353 Shares) of the issued Shares as at June 27, 2023 (the date on which the amendments to the Restricted Share Award Scheme were approved by Shareholders). The number of Shares available for grant under the Restricted Share Award Scheme was 93,441,555 and 71,663,871 as of January 1, 2025 and December 31, 2025, respectively. As at the date of this annual report, the total number of Shares available for issue under the Restricted Share Award Scheme is 72,631,125 Shares, representing approximately 1.76% of the total number of issued Shares. During the Reporting Period, the number of Shares that may be issued in respect of restricted shares granted under the Restricted Share Award Scheme divided by the weighted average number of total Shares in issue during the Reporting Period is 0.87%.

Pursuant to the Restricted Share Award Scheme, the Board shall select the eligible participant and determine the number of Shares to be awarded.

Directors' Report



The table below shows details of the movements in the restricted shares granted under the Restricted Share Award Scheme during the Reporting Period which shall be satisfied by the issuance of new Shares.

Category of Participants	Date of Grant	Closing Price of the Shares immediately before the Date of Grant	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025	Vesting Period
Directors									
Dr. Zhisheng Chen	November 12, 2020	HK\$74.47	471,519	—	471,519	—	—	—	5 years
	June 16, 2021	HK\$121.00	567,120	—	189,040	—	—	378,080	5 years
	June 10, 2022	HK\$71.10	1,059,467	—	264,866	—	—	794,601	5 years
	August 24, 2023	HK\$41.10	522,478	—	104,495	—	—	417,983	5 years
	March 27, 2024	HK\$13.56	740,638	—	—	—	—	740,638	5 years
	March 26, 2025	HK\$25.90	—	1,310,465	—	—	—	1,310,465	5 years
			<u>3,361,222</u>	<u>1,310,465</u>	<u>1,029,920</u>	<u>—</u>	<u>—</u>	<u>3,641,767</u>	
Dr. Weichang Zhou (retired on June 6, 2025)	November 12, 2020	HK\$74.47	141,456	—	141,456	—	—	—	5 years
	June 16, 2021	HK\$121.00	158,209	—	52,735	—	—	105,474	5 years
	June 10, 2022	HK\$71.10	360,225	—	90,056	—	—	270,169	5 years
	August 24, 2023	HK\$41.10	241,642	—	48,328	—	—	193,314	5 years
	November 21, 2023	HK\$48.00	132,484	—	26,496	—	—	105,988	5 years
	March 27, 2024	HK\$13.56	411,048	—	—	—	—	411,048	5 years
			<u>1,445,064</u>	<u>—</u>	<u>359,071</u>	<u>—</u>	<u>—</u>	<u>1,085,993</u>	
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	November 12, 2020	HK\$74.47	2,580	—	2,580	—	—	—	5 years
	March 24, 2021	HK\$87.40	2,599	—	865	—	—	1,734	5 years
	August 24, 2021	HK\$113.00	12,358	—	4,118	—	—	8,240	5 years
	March 23, 2022	HK\$58.35	26,852	—	6,713	—	—	20,139	5 years
	June 10, 2022	HK\$71.10	118,710	—	29,677	—	—	89,033	5 years
	August 24, 2023	HK\$41.10	34,387	—	6,877	—	—	27,510	5 years
	November 21, 2023	HK\$48.00	234,340	—	46,867	—	—	187,473	5 years
	March 27, 2024	HK\$13.56	83,621	—	—	—	—	83,621	5 years
	March 26, 2025	HK\$25.90	—	535,713	—	—	—	535,713	5 years
			<u>515,447</u>	<u>535,713</u>	<u>97,697</u>	<u>—</u>	<u>—</u>	<u>953,463</u>	
Sub-total			<u>5,321,733</u>	<u>1,846,178</u>	<u>1,486,688</u>	<u>—</u>	<u>—</u>	<u>5,681,223</u>	

Directors' Report

Category of Participants	Date of Grant	Closing Price of the Shares immediately before the Date of Grant	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025	Vesting Period
Employees in aggregate									
383 employees	March 27, 2020	HK\$34.60	1,238,966	—	1,225,790	13,176	—	—	5 years
77 employees	June 9, 2020	HK\$41.67	624,861	—	609,771	15,090	—	—	5 years
126 employees	August 18, 2020	HK\$56.33	442,137	—	406,356	33,312	2,469	—	5 years
1,390 employees	November 12, 2020	HK\$74.47	1,257,468	—	1,139,455	81,946	36,067	—	5 years
1,616 employees	March 24, 2021	HK\$87.40	1,912,199	—	630,108	116,914	49,788	1,115,389	5 years
3 employees	June 16, 2021	HK\$121.00	69,435	—	23,145	—	—	46,290	5 years
1,752 employees	June 17, 2021	HK\$116.90	5,162,702	—	1,650,300	304,134	147,485	3,060,783	5 years
744 employees	August 24, 2021	HK\$113.00	1,840,272	—	582,685	118,826	41,762	1,096,999	5 years
486 employees	November 23, 2021	HK\$105.70	1,381,776	—	677,913	80,312	11,774	611,777	5 years
2,457 employees	March 23, 2022	HK\$58.35	10,897,665	—	2,508,138	891,155	155,756	7,342,616	5 years
724 employees	June 10, 2022	HK\$71.10	4,298,525	—	1,052,157	208,914	78,201	2,959,253	5 years
151 employees	August 18, 2022	HK\$69.75	1,031,724	—	235,057	95,319	7,936	693,412	5 years
681 employees	November 28, 2022	HK\$47.75	4,971,528	—	1,157,555	254,114	88,235	3,471,624	5 years
1,851 employees	August 24, 2023	HK\$41.10	12,165,975	—	2,301,535	1,195,011	72,036	8,597,393	5 years
454 employees	November 21, 2023	HK\$48.00	2,342,736	—	436,661	183,565	4,098	1,718,412	5 years
1,891 employees	March 27, 2024	HK\$13.56	16,789,100	—	—	1,021,857	104,880	15,662,363	5 years
9 employees	June 18, 2024	HK\$11.90	312,349	—	—	—	—	312,349	5 years
1,910 employees	March 26, 2025	HK\$25.90	—	23,674,679	—	1,128,878	32,848	22,512,953	5 years
1 employee	June 5, 2025	HK\$25.20	—	64,117	—	64,117	—	—	5 years
Sub-total			66,739,418	23,738,796	14,636,626	5,806,640	833,335	69,201,613	
Total			72,061,151	25,584,974	16,123,314	5,806,640	833,335	74,882,836	

Directors' Report



Notes:

- (1) Certain employees of the Group may be offered to join the share scheme(s) of the Company's subsidiaries. Upon participating in such subsidiary share scheme(s), share options and/or share awards under the subsidiary share scheme(s) will be granted to the employees while the outstanding restricted shares granted under the Restricted Share Award Scheme held by the respective employees will be cancelled accordingly.
- (2) In respect of the restricted shares vested during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the restricted shares were vested was HK\$29.18.
- (3) For details of the fair value of the restricted shares at the date of grant and the accounting standard and policy adopted, please refer to note 44 to the consolidated financial statements of this annual report.
- (4) The unvested restricted shares are subject to a time-based vesting schedule of 20% on each of the second, third and fourth anniversaries, and 40% on the fifth anniversary, of the date of grant with no performance target attached.
- (5) The purchase price for the restricted shares transferred or to be transferred to the participants upon vesting is nil.
- (6) Pursuant to the vesting of the restricted shares under the Restricted Share Award Scheme, a certain portion of the vested restricted shares of the relevant grantee(s) will be sold by the trustee Computershare Hong Kong Trustees Limited on behalf of the relevant grantee(s) for the purpose of satisfying relevant tax liabilities and other transactional fees pursuant to the scheme rules.

Details of the restricted shares granted under the Restricted Share Award Scheme during the Reporting Period are set out in the Company's announcements dated March 26, 2025 and June 5, 2025 and under note 44 to the consolidated financial statements in this annual report. For more details of the Restricted Share Award Scheme, please refer to the Company's announcements dated January 15, 2018 and January 18, 2018 and the Company's circular dated May 23, 2023.



Directors' Report

GLOBAL PARTNER PROGRAM SHARE SCHEME

The Company has adopted the Global Partner Program Share Scheme on June 16, 2021, which was amended and restated on June 27, 2023. The purposes of the Global Partner Program Share Scheme are to further reward and incentivize the Group's top employees and attract key talents to ensure the continuous business development and growth of the Company. The Global Partner Program Share Scheme became effective on June 16, 2021. Participants of the Global Partner Program Share Scheme include any Director or employee of the Company or any of its subsidiaries, or any joint venture or other business arrangement of the Group, who, in the opinion of the Board, has significant contribution to the business development and growth of the Group. The total number of Shares issued and to be issued pursuant to grant of restricted shares to each participant (including any Shares where the right to acquire such Shares has been vested or lapsed) in any 12-month period shall not exceed 1% of the Shares in issue unless approved by the Shareholders. Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions imposed by the Board as set forth in the notice of award. Participants are not required to pay for the acceptance of the restricted shares. For the purpose of determining the share price of each restricted share under the Global Partner Program Share Scheme, it shall be the average closing price of the Company's Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of granting the restricted shares. Subject to earlier termination by the Board, the Global Partner Program Share Scheme shall be valid and effective for a period of 10 years from the adoption date. The maximum number of Shares which can be awarded under the Global Partner Program Share Scheme is limited to 3% (i.e. 127,452,353 Shares) of the issued Shares as at June 27, 2023 (the date on which the amendments to the Global Partner Program Share Scheme were approved by Shareholders). The number of Shares available for grant under the Global Partner Program Share Scheme was 118,862,886 and 119,070,976 as of January 1, 2025 and December 31, 2025, respectively. As at the date of this annual report, the total number of Shares available for issue under the Global Partner Program Share Scheme is 119,070,976 Shares, representing approximately 2.80% of the total number of issued Shares. During the Reporting Period, the number of Shares that may be issued in respect of restricted shares granted under the Global Partner Program Share Scheme divided by the weighted average number of total Shares in issue during the Reporting Period is nil.

Pursuant to the Global Partner Program Share Scheme, the Board shall select the eligible participant and determine the number of Shares to be awarded.

Directors' Report



The table below shows details of the movements in the restricted shares granted under the Global Partner Program Share Scheme during the Reporting Period which shall be satisfied by the issuance of new Shares.

Category of Participants	Date of Grant	Closing Price of the Shares immediately before the Date of Grant	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025	Vesting Period
Directors									
Dr. Zhisheng Chen	June 10, 2022	HK\$71.10	877,694	—	—	—	—	877,694	2 years
	August 24, 2023	HK\$41.10	957,015	—	—	—	—	957,015	2 years
	November 21, 2023	HK\$48.00	683,608	—	—	—	—	683,608	2 years
			<u>2,518,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,518,317</u>	
Dr. Weichang Zhou (retired on June 6, 2025)	June 10, 2022	HK\$71.10	298,416	—	—	—	—	298,416	2 years
	August 24, 2023	HK\$41.10	325,385	—	—	—	—	325,385	2 years
	November 21, 2023	HK\$48.00	278,223	—	—	—	—	278,223	2 years
			<u>902,024</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>902,024</u>	
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	November 23, 2021	HK\$105.70	15,868	—	—	—	—	15,868	2 years
	November 28, 2022	HK\$47.75	33,263	—	—	—	—	33,263	2 years
	November 21, 2023	HK\$48.00	45,250	—	—	—	—	45,250	2 years
			<u>94,381</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>94,381</u>	
Sub-total			<u>3,514,722</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,514,722</u>	
Employees in aggregate									
197 employees	November 23, 2021	HK\$105.70	1,994,480	—	—	162,367	31,849	1,800,264	2 years
2 employees	June 10, 2022	HK\$71.10	47,037	—	—	—	—	47,037	2 years
233 employees	November 28, 2022	HK\$47.75	5,534,452	—	—	438,218	125,650	4,970,584	2 years
2 employees	August 24, 2023	HK\$41.10	61,224	—	—	—	—	61,224	2 years
252 employees	November 21, 2023	HK\$48.00	6,192,607	—	—	372,101	44,071	5,776,435	2 years
Sub-total			<u>13,829,800</u>	<u>—</u>	<u>—</u>	<u>972,686</u>	<u>201,570</u>	<u>12,655,544</u>	
Total			<u>17,344,522</u>	<u>—</u>	<u>—</u>	<u>972,686</u>	<u>201,570</u>	<u>16,170,266</u>	



Directors' Report

Notes:

- (1) Certain employees of the Group may be offered to join the share scheme(s) of the Company's subsidiaries. Upon participating in such subsidiary share scheme(s), share options and/or share awards under the subsidiary share scheme(s) will be granted to the employees while the outstanding restricted shares granted under the Global Partner Program Share Scheme held by the respective employees will be cancelled accordingly.
- (2) For details of the fair value of the restricted shares at the date of grant and the accounting standard and policy adopted, please refer to note 44 to the consolidated financial statements of this annual report.
- (3) The restricted shares under the Global Partner Program Share Scheme are subject to vesting conditions and performance targets (which are based on the overall business and financial performance of the Group as a whole and the market capitalization of the Company), whereupon the restricted shares granted under the Global Partner Program Share Scheme can only be vested when the Share price is no less than HK\$97.80, and the vesting schedule of 50% on each of the first and second anniversaries of the date of grant. For further details, please refer to note 44 to the consolidated financial statements of this annual report.
- (4) The purchase price for the restricted shares transferred or to be transferred to the participants upon vesting is nil.
- (5) Pursuant to the vesting of the restricted shares under the Global Partner Program Share Scheme, a certain portion of the vested restricted shares of the relevant grantee(s) will be sold by the trustee Computershare Hong Kong Trustees Limited on behalf of the relevant grantee(s) for the purpose of satisfying relevant tax liabilities and other transactional fees pursuant to the scheme rules.

Details of the movements in the restricted shares granted under the Global Partner Program Share Scheme during the Reporting Period are set out under note 44 to the consolidated financial statements in this annual report. For more details of the Global Partner Program Share Scheme, please refer to the Company's announcements dated June 16, 2021 and the Company's circular dated May 23, 2023.



The Scheme Mandate Limit was approved by Shareholders, and adopted by the Company, on June 27, 2023 (the **"Adoption Date"**), pursuant to which the maximum number of Shares which may be issued and allotted in respect of all restricted shares to be granted under the Restricted Share Award Scheme and the Global Partner Program Share Scheme and all share options and share awards to be granted under any other share option schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time would be 6% of the issued Shares as at the Adoption Date (i.e. 254,904,706 Shares). The number of restricted shares available for grant under the Scheme Mandate Limit was 190,734,847 as of December 31, 2025.

WuXi Biologics Share Participation Scheme

Biologics Ireland, a wholly-owned subsidiary of the Company, has adopted the WuXi Biologics Share Participation Scheme on March 21, 2025. The awarded Shares will be satisfied by existing Shares to be purchased by trustee on the market as instructed by Biologics Ireland from time to time. The purposes of the WuXi Biologics Share Participation Scheme are to encourage, motivate and retain participants, whose contributions are beneficial to the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group. Participants of the WuXi Biologics Share Participation Scheme include any employee (including full-time director) of Biologics Ireland or its subsidiaries. The maximum number of existing Shares that may be appropriated to participants of the WuXi Biologics Share Participation Scheme shall not exceed 1.5% of the existing Shares in issue (excluding any treasury Shares) (i.e. 61,605,600 Shares) as at the adoption date (being March 21, 2025). The maximum number of existing Shares that may be appropriated to any one participant in the 12-month period up to and including the appropriation date shall not exceed 1% of the existing Shares in issue (excluding any treasury Shares). Vesting shall only occur in accordance with the period of retention as stipulated in Ireland's Taxes Consolidation Act 1997 (as amended). Any amount payable on application or acceptance of an awarded Share will be stipulated in the form of acceptance and form of participation as agreed by Biologics Ireland and the eligible participant. The basis for determining the purchase price of the awarded Shares shall be such amount as Biologics Ireland may determine based on a proportion of the remuneration of an eligible participant or any such amount as agreed in writing with the Ireland Revenue Commissioners. The WuXi Biologics Share Participation Scheme shall continue to be valid and effective subject to termination by Biologics Ireland.

Directors' Report

The table below shows details of the movements in the awarded Shares granted under the WuXi Biologics Share Participation Scheme during the Reporting Period which shall be satisfied by the appropriation of existing Shares.

Category of Participants	Date of Grant	Closing Price of the Shares immediately before the Date of Grant	Outstanding as at March 21, 2025 (date of adoption)	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed/ Forfeited/ Cancelled during the Reporting Period	Outstanding as at December 31, 2025	Fair Value per Share at the Date of Grant	Vesting Period
Employees in aggregate									
100 employees	June 9, 2025	HK\$24.65	—	122,106	—	—	122,106	HK\$26.00	2 years
Total			—	122,106	—	—	122,106		

Notes:

- (1) The unvested awarded Shares are subject to a time-based vesting schedule of 2 years from the date of grant with no performance target attached.
- (2) The fair value of the awarded Shares was determined based on the market value of the Company's Share at the date of grant.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2025, the Group's sales to its five largest customers accounted for 26.1%, as compared to 29.1% of the Group's total revenue for the year ended December 31, 2024, and the Group's sales to the largest customer accounted for 9.9%, as compared to 11.1% of the Group's total revenue for the year ended December 31, 2024.

Major Suppliers

For the year ended December 31, 2025, the Group's five largest suppliers accounted for 36%, as compared to 41% of the Group's total purchases for the year ended December 31, 2024. The Group's single largest supplier accounted for 15%, as compared to 17% of the Group's total purchases for the year ended December 31, 2024.

During the year ended December 31, 2025, none of the Directors or any of their close associates or any Shareholders (which, to the knowledge of the Directors, own more than 5% of the number of issued Shares) had any interest in the Group's five largest customers and suppliers.

Directors' Report



Relationship with Employees, Suppliers and Customers

The Group recognizes that employees, suppliers and customers are key to the Group's success. The Group actively maintains a good relationship with employees, suppliers and customers. There was no material and significant dispute between the Group and its employees, suppliers and/or customers during the Reporting Period.

Management Contracts

During the Reporting Period, the Company has not entered into any contract with any individuals, firm or body corporate to manage or administer the whole or any substantial part of any business of the Group.

Directors' Permitted Indemnity Provision

Each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto in accordance with the Articles of Association. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year ended December 31, 2025, which is still in force.

Results and Dividends

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on pages 107 to 108 of this annual report. The Board does not recommend any payment of final dividend for the year ended December 31, 2025.

Share Capital

Details of movements in share capital of the Company during the Reporting Period are set out in note 37 to the consolidated financial statements in this annual report.



Directors' Report

Reserves

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and note 47 to the consolidated financial statements in this annual report.

Details of the Company's reserves available for distribution to the Shareholders as at December 31, 2025 are set out in note 47 to the consolidated financial statements in this annual report.

Donations

During the Reporting Period, charitable and other donations made by the Group amounted to RMB10,774,000 (2024: RMB797,000).

Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements in this annual report.

Use of Net Proceeds from Placing

On February 2, 2021, the Company entered into a placing agreement with Morgan Stanley & Co. International plc (the "**Placing Agent**"), pursuant to which the Placing Agent agreed to place 118,000,000 shares with an aggregate nominal value of approximately US\$983.33 (or, failing which, to purchase itself as principal) on a fully underwritten basis to not less than six independent professional, institutional and/or other investors (the "**Fourth Placing**"). The Fourth Placing allows the Company to raise further capital to fund its future development and keep up with its current business. The Fourth Placing price was HK\$112.00 per share. The net price per Fourth Placing share was approximately HK\$111.20. The closing price was HK\$120.40 per share as quoted on the Stock Exchange on the date of the placing agreement. For further details, please refer to the announcement of the Company dated February 3, 2021.

Directors' Report



The net proceeds from the Fourth Placing were approximately RMB10,899.0 million, which will be used in the following manner: (i) approximately 40% will be used for merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing to match a rapidly growing pipeline; (ii) approximately 40% will be used for building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms; (iii) approximately 10% will be used for investment in mRNA related technologies to further enable its global clients; and (iv) approximately 10% shall be used for general corporate purposes of the Group, as disclosed in the announcement of the Company dated February 3, 2021. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

Use of proceeds	Planned applications (RMB million)	Percentage of total net proceeds	Actual usage up to December 31, 2025 (RMB million)	Net proceeds brought forward for the Reporting Period (RMB million)	Unutilized net proceeds as at December 31, 2025 (RMB million)	Expected timeframe for utilizing the remaining unutilized net proceeds ^(Note)
Merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing	4,359.6	40%	3,660.1	699.5	699.5	By the end of 2028
Building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms	4,359.6	40%	4,359.6	—	—	N/A
Investment in mRNA related technologies	1,089.9	10%	54.1	1,035.8	1,035.8	By the end of 2028
General corporate purposes of the Group	1,089.9	10%	1,089.9	—	—	N/A
Total	10,899.0	100%	9,163.7	1,735.3	1,735.3	

Note: The expected timeframe for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. Management is evaluating the reallocation of the proceeds from its original designated purpose to better align with the Group's facility optimization goals and evolving business priorities.

Directors' Report

Purchase, Sale or Redemption of the Listed Securities of the Company

During the Reporting Period, the Company had repurchased, a total of 83,719,500 Shares on the Stock Exchange at an aggregate purchase price of approximately HK\$1,707.58 million. The reason for repurchase is to demonstrate the Company's confidence in its own business outlook and prospects as the Company believes that the current trading price of the Shares does not reflect their intrinsic value or the actual prospects of the Company. As at the date of this annual report, the repurchased Shares had been cancelled by the Company.

Details of the share repurchased during the year ended December 31, 2025 are set out as follows:

Month of repurchases	Number of Shares repurchased on the Stock Exchange	Price per Share paid		Aggregate purchase price (HK\$ million)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	9,509,500	17.66	17.20	165.79
April 2025	51,030,000	20.40	16.82	944.83
July 2025	23,180,000	26.15	25.20	596.96

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares) during the Reporting Period. As at December 31, 2025, the Company did not hold any treasury Shares.

Directors' Report



Arrangement to Purchase Shares or Debentures

Save for the Pre-IPO Share Option Scheme, at no time during the year ended December 31, 2025 did the Company or any of its holding companies, subsidiaries or fellow subsidiaries a part to any arrangements that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Equity-Linked Agreements

Save for the share incentive arrangements as disclosed on in the Director's Report of this annual report, no equity-linked agreements were entered into by the Company, or existed during the Reporting Period.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Wednesday, June 10, 2026. A notice convening the AGM is expected to be published in due course in accordance with the requirements of the Listing Rules.

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Friday, June 5, 2026 to Wednesday, June 10, 2026, both dates inclusive, during which period no transfer of Shares will be registered and the record date will be Wednesday, June 10, 2026. In order to be eligible to attend and vote at the AGM, non-registered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, June 4, 2026.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 75 to 101 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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



Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available and within the knowledge of the Directors, the Company maintained the prescribed public float as required under the Listing Rules from the Listing Date to the date of this annual report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands where the Company is incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

AUDITOR

The Company has appointed Deloitte Touche Tohmatsu as the auditor of the Company for the year ended December 31, 2025. A resolution will be proposed for approval by Shareholders at the forthcoming AGM to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board

Dr. Ge Li

Chairman

Hong Kong, March 24, 2026

Corporate Governance Report



The Board is pleased to present the Corporate Governance Report for the year ended December 31, 2025.

CORPORATE GOVERNANCE CULTURE

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

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

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

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

The Company has adopted the principles and code provisions in Part 2 of the CG Code as the basis of the Company's corporate governance practices.



Corporate Governance Report

The Board is of the view that the Company has complied with all applicable code provisions as set out in Part 2 of the CG Code throughout the Reporting Period. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Written Guidelines on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

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

The Company has also established the Guidelines for Securities Transactions by Employees (the **"Employees' Written Guidelines"**) on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees' Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

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

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

Corporate Governance Report



The Directors during the Reporting Period and up to the date of this Corporate Governance Report (March 24, 2026) were:

Executive Directors

Dr. Zhisheng Chen (*Chief Executive Officer*)
Dr. Sherry Xuejun Gu (*Chief Technology Officer*) (*appointed on June 6, 2025*)

Non-executive Directors

Dr. Ge Li (*Chairman*)
Dr. Weichang Zhou (*retired on June 6, 2025*)
Mr. Yanling Cao
Ms. Jingwen Miao

Independent Non-executive Directors

Mr. William Robert Keller
Mr. Kenneth Walton Hitchner III
Mr. Jackson Peter Tai
Dr. Jue Chen

Dr. Sherry Xuejun Gu, who has been appointed as the executive Director during the Reporting Period, has obtained the legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on May 16, 2025, and she has confirmed she understood her obligations as a director of a listed issuer.

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 37 to 41 of this annual report.

The Directors do not have financial, business, family or other material/relevant relationships with one another.

Board Meetings and Directors' Attendance Records

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

Code provision of the CG Code requires that the Chairman of the Board should at least annually hold meetings with independent non-executive Directors without the presence of other directors. Arrangements have been made for compliance with the code provision and four meetings were held during the Reporting Period.



Corporate Governance Report

During the Reporting Period, the Board held six meetings and the Directors' attendance records are as follows:

Name of Directors	Attendance
Dr. Zhisheng Chen	6/6
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	2/2
Dr. Ge Li	6/6
Dr. Weichang Zhou (retired on June 6, 2025)	4/4
Mr. Yanling Cao	5/6
Ms. Jingwen Miao	5/6
Mr. William Robert Keller	6/6
Mr. Kenneth Walton Hitchner III	6/6
Mr. Jackson Peter Tai	5/6
Dr. Jue Chen	5/6

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Dr. Ge Li and Dr. Zhisheng Chen respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board as well as provides overall guidance on the business and corporate strategies of the Group. The Chief Executive Officer focuses on the overall management of the business, strategy and corporate development of the Group.

Independent Non-executive Directors

Rules 3.10(1) and 3.10(2) of the Listing Rules require every board of directors of a listed issuer must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. Rule 3.10A of the Listing Rules requires an issuer must appoint independent non-executive directors representing at least one-third of the board.

During the Reporting Period, the Board has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Corporate Governance Report



Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism since 2022 which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximize strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Reporting Period, the Directors have completed the independence evaluation questionnaire. Based on the answers from the Directors, the evaluation results were satisfactory.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Appointment and Re-election of Directors

Each of the Directors is engaged on a director's service agreement for a specific term of three years, which is renewable by mutual consent and subject to the Articles of Association of the Company.

Every Director (including those appointed for a specific term) shall be subject to retirement and re-election by rotation at least once every three years at the annual general meetings of the Company under the Articles of Association of the Company.

The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

Responsibilities, Accountabilities and Contributions of the Board and Management

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



Corporate Governance Report

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

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

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

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

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

Continuous Professional Development of Directors

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

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Besides, meetings with senior management of the Company will also be arranged. Comprehensive and tailored induction was provided to Dr. Sherry Xuejun Gu, the newly appointed executive Director during the Reporting Period.

Corporate Governance Report



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

During the Reporting Period, the Company organized training sessions conducted by the legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Listing Rules and regulatory updates. In addition, relevant reading materials including legal and regulatory updates have been provided to the Directors for their reference and studying.

The training records of the Directors for the Reporting Period are summarized as follows:

Directors	Type of Training ^{Note}
Executive Directors	
Dr. Zhisheng Chen	A & B
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	A & B
Non-executive Directors	
Dr. Ge Li	A & B
Dr. Weichang Zhou (retired on June 6, 2025)	—
Mr. Yanling Cao	A & B
Ms. Jingwen Miao	A & B
Independent Non-executive Directors	
Mr. William Robert Keller	A & B
Mr. Kenneth Walton Hitchner III	A & B
Mr. Jackson Peter Tai	A & B
Dr. Jue Chen	A & B

Note:

Types of Training

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and/or workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and/or relevant publications



Corporate Governance Report

BOARD COMMITTEES

The Board has established five committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee, Strategy Committee, and Environmental, Social and Governance Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("**HKEX**") and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Jackson Peter Tai, Mr. William Robert Keller and Mr. Kenneth Walton Hitchner III, with Mr. Jackson Peter Tai as its chairman.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the Company's financial information, overseeing the Company's financial reporting system, risk management and internal control systems, reviewing and monitoring the effectiveness of the internal audit function, scope of audit and appointment of external auditors, reviewing the arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company, and managing business ethics and anti-corruption issues and ensuring that they comply with applicable laws, regulations, regulatory requirements, international standards, as well as the Company's own standards.

The Audit Committee is also responsible for performing the functions set out in code provision in Part 2 of the CG Code. These include developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and reviewing the Company's compliance with the CG Code from time to time adopted by the Company and the disclosure in the corporate governance report to be contained in the Company's annual report.

Corporate Governance Report



During the Reporting Period, the Audit Committee held four meetings to review and consider annual financial results and report and corporate governance report in respect of the year ended December 31, 2024, the interim financial results and report in respect of the six months ended June 30, 2025, and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works, connected transactions, the reported case and investigation progress in accordance with the Whistleblowing & Investigation Policy, and evaluate and assess the adequacy of the terms of reference of the Audit Committee.

During the Reporting Period, the Audit Committee met with the external auditors four times without the presence of the executive Directors and the management, to review the findings of the external auditors and to update the external auditors' audit plan for the Group.

The attendance records of the members of the Audit Committee are as follows:

Name of Members of the Audit Committee	Attendance
Mr. Jackson Peter Tai	4/4
Mr. William Robert Keller	4/4
Mr. Kenneth Walton Hitchner III	4/4

Remuneration Committee

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. William Robert Keller, Mr. Kenneth Walton Hitchner III and Mr. Jackson Peter Tai, with Mr. William Robert Keller as its chairman.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, establishing a formal and transparent procedure for developing remuneration policy and ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration, as well as reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.



Corporate Governance Report

During the Reporting Period, the Remuneration Committee held four meetings to review and make recommendation to the Board on the remuneration policy and structure of the Company, the remuneration packages of the executive Directors, non-executive Directors and senior management, evaluate and assess the adequacy of the terms of reference of the Remuneration Committee, consider and make recommendation to the Board on key terms of the new director's service agreement entered with the newly appointed executive Director and other related matters as well as to consider the grant of restricted shares under the Restricted Share Award Scheme.

The grant of restricted shares under the Restricted Share Award Scheme during Reporting Period did not have performance targets attached. A time-based vesting schedule is applicable to the grant of restricted shares. In view that (i) the grant of restricted shares under the Restricted Share Award Scheme will give the grantees an opportunity to have a personal stake in the Company and will help motivate the grantees in optimizing their performance and efficiency; and (ii) the number of restricted shares granted is based on the work performance and potential of the grantees and no additional performance target is imposed before the restricted shares are vested to the grantees, and in line with the previous customary practice of the Company in terms of equity-based remuneration, the Remuneration Committee considered the grant of restricted shares without performance targets are in alignment with the purposes of the Restricted Share Award Scheme.

Pursuant to code provision in Part 2 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the year ended December 31, 2025 is as follows:

	Number of employees
HKD40,000,001 to HKD50,000,000	1
HKD10,000,001 to HKD20,000,000	4
HKD5,000,001 to HKD10,000,000	3

The attendance records of the members of the Remuneration Committee are as follows:

Name of Members of the Remuneration Committee	Attendance
Mr. William Robert Keller	4/4
Mr. Kenneth Walton Hitchner III	4/4
Mr. Jackson Peter Tai	4/4

Corporate Governance Report



The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration package of executive Director is also determined with reference to the Company's performance, the prevailing market conditions and the performance of executive Director. The remuneration for the executive Director comprises basic salary and discretionary bonus. Executive Director shall receive restricted shares to be granted under the Company's Restricted Share Award Scheme. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to the prevailing market conditions, their performance, time commitment and responsibilities with the Company. Individual Directors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Nomination Committee consists of one non-executive Director and three independent non-executive Directors, namely Dr. Ge Li, Mr. William Robert Keller, Mr. Jackson Peter Tai and Dr. Jue Chen, with Dr. Ge Li as its chairman.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board members and selecting or making recommendation to the Board on the selection of individuals nominated for directorship, making recommendations to the Board on the appointment or re-appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.



Corporate Governance Report

During the Reporting Period, the Nomination Committee met once to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors standing for election at the 2025 annual general meeting, to consider and recommend the Board on the election as new executive Director for replacement, and evaluate and assess the adequacy of the terms of reference of the Nomination Committee.

The attendance records of the members of the Nomination Committee are as follows:

Name of Members of the Nomination Committee	Attendance
Dr. Ge Li	1/1
Mr. William Robert Keller	1/1
Mr. Jackson Peter Tai	1/1
Dr. Jue Chen (appointed on June 6, 2025)	N/A

Board Diversity Policy

The Board has adopted a Board Diversity Policy which sets out the approach to achieve diversity on the Board and is available on the website of the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

In accordance with the Board Diversity Policy, a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity (including gender diversity).

The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, professional experience, educational background, knowledge, expertise, culture, independence, age and gender.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

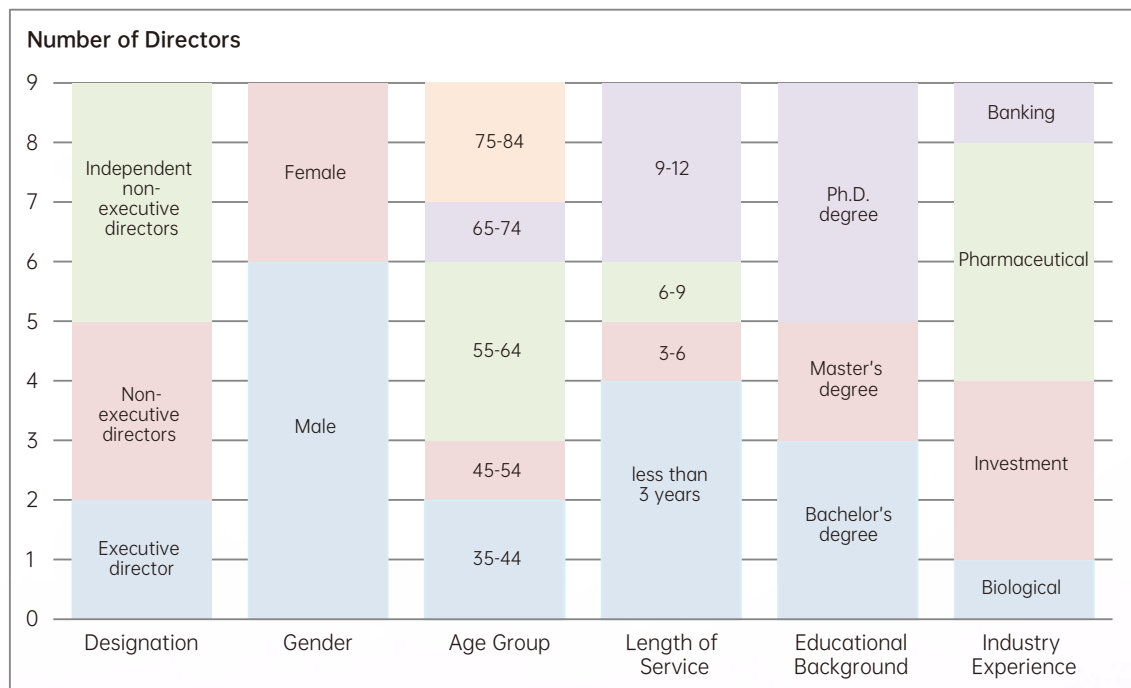
Corporate Governance Report



The Nomination Committee will report annually, in the corporate governance report contained in the Company's annual report, on the Board's composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The following chart shows the diversity profile of the Board as at the date of this Corporate Governance Report:



Corporate Governance Report

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at December 31, 2025:

	Female	Male
Board	33.33%	66.67%
Senior Management (as listed in the "Directors and Senior Management" section)	20%	80%
Other employees	54.23%	45.77%
Overall workforce	54.21%	45.79%

The Board considers that the above current gender diversity is satisfactory.

The Board will continue, taking into account the business needs of the Company and changes from time to time that may affect the Company's business plans, to ensure the gender diversity when recruiting staff at senior level, so that the qualified female senior management and potential successors may join the Board in due course to ensure gender diversity of the Board. The Company will continue to focus on training talent in different gender and providing long-term development opportunities for different gender.

Director Nomination Policy

The Board has adopted a Director Nomination Policy which sets out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors and ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business.

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

- The Nomination Committee may adopt any procedures and process it deems appropriate in identifying or selecting suitable candidates and evaluating the suitability of the candidates;
- Upon considering a candidate suitability for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of remuneration package of such selected candidate;

Corporate Governance Report



- d) The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the proposed remuneration package;
- e) The Board will thereafter deliberate and decide the appointment as the case may be; and
- f) Upon Directors' appointment, relevant documents shall be duly filed with registration offices and other authorities including but not limited to the Companies Registry of the Cayman Islands and Hong Kong.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Diversity required for the operation of the Company;
- Commitment for responsibilities of the Board in respect of available time and relevant interest;
- Skills, qualification and experiences;
- Independence from the Company and its subsidiaries;
- Reputation for integrity;
- Potential contributions that the individual(s) can bring to the Board; and
- Plan(s) in place for the orderly succession of the Board.

The Director Nomination Policy also sets out the criteria for evaluation and recommendation to the Board on the re-appointment of retiring Director(s) and the position(s) of the independent non-executive Directors.



Corporate Governance Report

During the Reporting Period, the Nomination Committee recommended to the Board the appointment of the executive Director, namely Dr. Sherry Xuejun Gu. The appointment was subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

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

Strategy Committee

As of the end of the Reporting Period, the Strategy Committee consists of two executive Directors, two non-executive Directors, and three independent non-executive Directors, namely Dr. Zhisheng Chen, Dr. Sherry Xuejun Gu, Dr. Ge Li, Ms. Jingwen Miao, Mr. William Robert Keller, Mr. Kenneth Walton Hitchner III and Dr. Jue Chen, with Dr. Zhisheng Chen as its chairman.

The principal duties of the Strategy Committee include conducting research and making recommendations to the Board on the Group's mid-term and long-term strategies and their feasibility, conducting research and making recommendations to the Board on the Group's investment plans, major business decisions and investment earnings forecast and evaluating and monitoring the implementation of the strategy, plans and measures adopted by the Strategy Committee.

During the Reporting Period, the Strategy Committee met once to review and consider the implementation of the "Follow and Win the Molecule" and "Global Dual Sourcing" strategies.

The attendance records of the members of the Strategy Committee are as follows:

Name of Members of the Strategy Committee	Attendance
Dr. Zhisheng Chen	1/1
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	N/A
Dr. Ge Li	1/1
Ms. Jingwen Miao	1/1
Dr. Weichang Zhou (retired on June 6, 2025)	1/1
Mr. William Robert Keller	1/1
Mr. Kenneth Walton Hitchner III	1/1
Dr. Jue Chen	1/1

Corporate Governance Report



Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee ("**ESG Committee**") consists of one executive Director and three independent non-executive Directors, namely Dr. Zhisheng Chen, Mr. Kenneth Walton Hitchner III, Mr. William Robert Keller and Dr. Jue Chen, with Dr. Zhisheng Chen as its chairman.

The principal duties of the ESG Committee include but not limited to:

- guiding and formulating the Group's environmental, social and governance ("**ESG**") vision, objectives, strategies and structure to ensure that they are in line with the needs of the Group and comply with applicable laws, regulations, regulatory requirements and international standards;
- monitoring the development and implementation of the Group's ESG vision, strategies, policies and governance structure;
- guiding and reviewing the identification and ranking of important ESG issues and assessing ESG targets of the Group on an annual basis;
- reviewing the key ESG trends and related risks and opportunities, and assessing the adequacy and effectiveness of the Group's ESG strategies, policies, action plans, and governance structure accordingly on a regular basis;
- monitoring the channels and means of communication with the Group's stakeholders and ensuring that the relevant policies are in place to effectively promote the relationship between the Group and its stakeholders and protect the Group's reputation; and
- reviewing the Company's ESG report and other ESG related disclosures, and making recommendations and reporting on ESG progresses to the Board, so as to promote the continuous improvement of the ESG performance of the Group.

During the Reporting Period, the ESG Committee met once to review the Company's ESG performance, ESG targets and ESG taskforces progress.



Corporate Governance Report

The attendance records of the members of the ESG Committee are as follows:

Name of Members of the ESG Committee	Attendance
Dr. Zhisheng Chen	1/1
Mr. Kenneth Walton Hitchner III	1/1
Mr. William Robert Keller	1/1
Dr. Jue Chen	1/1

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems.

The Company has developed its risk management mechanism to:

- Support effective decision-making that is guided by the Group's mission and vision;
- Ensure a consistent and effective approach to risk management;
- Formalize its commitment to the principles of risk management and incorporate them into all areas of the Group;
- Foster and encourage a risk-aware culture where risk management is seen as a positive attribute of decision-making rather than a corrective measure;
- Align the Group's planning, compliance and risk management systems, and their integration into all areas of the Group's operations; and
- Ensure robust operational and corporate governance practices to effectively manage risk while allowing innovation and sustainable growth.

Corporate Governance Report



The Company is committed to excellence and continual improvement, and will continue to encourage innovation while maintaining a low-risk profile. Employees are encouraged to adopt a positive approach to risk management, which further strengthens the risk-aware culture (as opposed to risk-adverse culture) of the Group.

Risk management is incorporated into the strategic and operational processes at all levels within the Group in order to minimize the impact of risk.

Opportunities and risks are identified and are proactively assessed and monitored by employees on an on-going basis.

The Group's approach to risk management, is aligned with COSO Enterprise Risk Management Framework-Aligning Risk with Strategy and Performance.

In order to formalize risk management across the Group and in order to set a common level of transparency and risk management performance, a number of requirements have been defined for the business units. Divisions, business units and group functions of the Group are obliged to address the following requirements with regard to risk management:

- Develop and review, at least annually, a statement on the risk tolerance of the Group;
- Conduct a formalized risk assessment at least annually either in the form of risk assessment questionnaire or risk assessment workshop, which is to include the identification, prioritization, measurement and categorization of all key risks that could potentially affect the Company's objectives;
- Report annually on the key risks as identified in the Group's risk reporting formats;
- Continuously monitor key risks and controls and implement appropriate risk responses where necessary;
- Formalize responsibilities for managing risk and for sustaining the Group's risk management framework; and
- Monitor and review the application of the risk management framework.



Corporate Governance Report

The internal control system of the Group is built up on a clear organization structure and management duties, a set of standardized policies and procedures, a sound accounting system, continuing training to employees, and independent review and oversight of operation and financial controls by internal audit department of the Company (the "**Internal Audit Department**"). The Company has formulated code of conduct for all employees which ensures their ethical value and competency. The Company attaches great importance to the prevention of fraud and has formulated its internal reporting system, which encourages anonymous reporting of situations where internal employees or external customers and suppliers have breached the rules. The Company has set up the policy regulating the handling and dissemination of inside information, which has clearly defined the scope of inside information, the roles and responsibilities, the reporting and disclosure requirements, the registration of insiders and confidentiality management. It has also clearly regulated the punishment if the policy is violated. The Company has adopted Written Guidelines and Employees' Written Guidelines for security transactions. The Company has also promulgated the Conflict of Interest Management Policy which sets guidelines in consultation, judgment, declaration and addressing conflict of interest.

The Internal Audit Department plays a vital role in supporting the Board and the management with the risk management and internal control systems. The functions of the Internal Audit Department are independent of the Company's business operations, and play an important role in the monitoring of the Group's internal management. The Internal Audit Department is responsible for internal controls assessment of the Group at least annually, and provides an objective assurance to the Audit Committee and the Board that the risk management and internal control systems are maintained and operated by the management in compliance with agreed processes and standards on a risk-based approach.

The Internal Audit Department regularly reports the internal audit results to the Audit Committee on a quarterly basis per year, which are then reported to the Board through the Audit Committee.

The Internal Audit Department is also responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Board has reviewed the effectiveness of the internal audit function and the review result is satisfactory.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period. The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems of the Group, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and staff qualifications, experience and relevant resources.

Corporate Governance Report



Arrangements are in place to facilitate employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Group.

The Company has in place the Whistleblowing and Investigation Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company. The Whistleblowing and Investigation Policy is available on the website of the Company.

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

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

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025.

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

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 105 to 106 of this annual report.

Corporate Governance Report

AUDITORS' REMUNERATION

An analysis of the remuneration paid/payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/ Payable RMB'000
Audit and audit-related service for the Group	19,136
Non-audit service	2,541
TOTAL	21,677

JOINT COMPANY SECRETARIES

Mr. Huang Yue and Ms. Sham Ying Man are the joint company secretaries of the Company.

Ms. Sham Ying Man is a senior manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group and a global professional services provider specializing in integrated Business, Corporate and Investor Services. The primary contact person at the Company is Mr. Huang Yue, joint company secretary of the Company and the Executive Director of the Board Secretary Office.

The joint company secretaries attended sufficient professional training as required under the Listing Rules for the year ended December 31, 2025 to update their skills and knowledge.

SHAREHOLDERS' RIGHTS

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

Corporate Governance Report



Convening an Extraordinary General Meeting

Pursuant to article 12.3 of the Articles of Association of the Company, extraordinary general meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s).

Putting Forward Proposals at General Meetings

There are no provisions in the Company's Articles of Association or the Cayman Islands Companies Law for Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. As regards proposing a person for election as a director of the Company, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director" of the Company which is posted on the Company's website.

Putting Forward Enquiries to the Board

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

Contact Details

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

Address: No. 5, 800 Lane, Qifan Road, Pudong, Shanghai, China
(For the attention of the board secretary office)
Fax: 86 (21) 5046 1000

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



Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The attendance records of Directors at the annual general meeting held during the Reporting Period are as follows:

Name of Directors	Attendance
Dr. Ge Li	1/1
Dr. Zhisheng Chen	1/1
Dr. Sherry Xuejun Gu (appointed on June 6, 2025)	1/1
Dr. Weichang Zhou (retired on June 6, 2025)	N/A
Mr. Yanling Cao	0/1
Ms. Jingwen Miao	0/1
Mr. William Robert Keller	1/1
Mr. Kenneth Walton Hitchner III	0/1
Mr. Jackson Peter Tai	1/1
Dr. Jue Chen	0/1

The non-executive Director, Dr. Ge Li, and the independent non-executive Directors, Mr. William Robert Keller and Mr. Jackson Peter Tai, have attended general meeting of the Company to gain and develop a balanced understanding of the view of the Shareholders.

The Company maintains a website at www.wuxibiologics.com as a communication platform with Shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

Constitutional Documents

During the Reporting Period, the Company has not made any changes to its Memorandum and Articles of Association. An up-to-date version of the Company's Memorandum and Articles of Association is available on the websites of the Company and HKEX.

Corporate Governance Report



Policies relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the shareholders' communication policy and found the results satisfactory, having considered the channels of communication and engagement mechanisms in place to promote effective and ongoing dialogue between the Company and its Shareholders, and to ensure that the Shareholders' views are conveyed to the Board and appropriately addressed.

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

(a) Means of Communication

Shareholders' Enquires

Shareholders shall direct their questions about their shareholdings to the Company's Hong Kong share registrar, Tricor Investor Services Limited.

Shareholders and the investment community may at any time contact either the Company's investor relations department or the company secretary to enquire about the information published by the Company.

Corporate Communication

Corporate communication (as defined in the Listing Rules) shall be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding.

Shareholders have the right to choose the languages (either English and/or Chinese) or means of receipt of the corporate communication (in hard copy or through electronic means).

Shareholders are encouraged to provide, among other things, in particular, their email addresses to the Company through the Company's Hong Kong share registrar in order to ensure the receipt of the information published by the Company in a timely manner.



Corporate Governance Report

Relevant Websites

Disclosures made by the Company pursuant to the Listing Rules are available on the website of HKEX.

A dedicated "Investors" section is available on the Company's website. Information on the Company's website is updated on a regular basis.

Information uploaded by the Company to the HKEX's website is also posted on the Company's website immediately thereafter. Such information includes announcements, annual report, interim report, circulars and notices of general meetings and other documents.

All press releases will be made available on the Company's website.

Shareholders' General Meetings

Shareholders are encouraged to participate in general meetings (including annual general meetings) or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend such meetings.

Appropriate arrangements for the annual general meetings will be in place to encourage Shareholders' participation.

The process and results of the Company's general meeting shall be monitored and reviewed on a regular basis, and, if necessary, demonstrable changes or follow-up be made to ensure that Shareholders' needs are best served with appropriate responsiveness and engagement.

Board members, in particular, the Chairman of the Board, the chairmen of Board committees or their delegates, appropriate management executives and external auditors and such other person as the Board deems appropriate shall attend annual general meetings to answer Shareholders' questions.

Shareholders are encouraged to attend Shareholders' activities organized by the Company, where information about the Company, including its latest strategic plan, products, services and etc. will be communicated.

Investment Market Communications

The Company, depending on its need, will arrange, without limitation, investor/analysts briefings and group/one-on-one meetings, roadshows (both domestic and international) and media interviews, and participate in marketing activities and forums for specialists and etc. on a regular basis in order to facilitate communication between the Company, Shareholders and the investment community.

Corporate Governance Report



(b) Shareholder Privacy

The Company recognizes the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

The Company has adopted a policy on payment of dividends which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration and payment of dividends pursuant to code provision of the CG Code that has become effective from January 1, 2019.

The Board has adopted a dividend policy in which the Company may declare dividends in any currency in general meeting but no dividends shall exceed the amount recommended by the Board, subject to the Companies Law of the Cayman Islands and the Memorandum and Articles of Association of the Company. Based on the financial results for the Reporting Period and the current cash flow and working capital projections, the Board believes that it will not be advisable to make a distribution for the Reporting Period, given considerable requirements of capital expenditure for business expansion. The Board will continue to review its financial position from time to time, and decide whether it would be in the interest of the Company and its Shareholders to make any distribution.



Independent Auditor's Report



Deloitte.

德勤

TO THE SHAREHOLDERS OF WUXI BIOLOGICS (CAYMAN) INC.
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of WuXi Biologics (Cayman) Inc. (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 107 to 256, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (**"IASB"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

Independent Auditor's Report



Key audit matter	How our audit addressed the key audit matter
Revenue recognition for contract research, development and manufacturing organization ("CRDMO") contracts under fee-for-service ("FFS") basis	

As disclosed in Note 5 to the consolidated financial statements, for the year ended December 31, 2025, revenue of the Group in total was RMB21,790 million, of which RMB21,021 million was derived from CRDMO contracts under FFS basis, representing 96% total revenue.

The management of the Group recognized revenue when control of the services or goods underlying the performance obligation as stipulated in the contracts is transferred to customers. Given that revenue from CRDMO contracts under FFS constitutes the largest proportion of total revenue, any misstatement in the recognition of such revenue could have a material impact on the consolidated financial statements. The risk of inappropriate revenue recognition may arise from (i) the performance obligations are not satisfied; and (ii) revenue is recognized in accounting period that does not coincide with the timing of the transfer of control of goods and services to customers.

We identified the assertions of occurrence and cut-off of revenue recognition for CRDMO contracts under FFS basis to be a key audit matter.

Our procedures to address the risk of inappropriate revenue recognition included the following:

- Understanding the key controls related to occurrence and cut-off assertions of revenue recognition for CRDMO contracts under FFS basis and evaluating the design, implementation and operating effectiveness of these controls;
- Inquiring the Group's management and examining the contract terms under FFS basis, on a sampling basis, to evaluate the appropriateness of the identification of performance obligation and the timing of revenue recognition determined by the management in accordance with IFRS 15 *Revenue from Contracts with Customers*;
- Selecting samples from recorded revenue transactions for CRDMO contracts under FFS basis and examining evidence supporting the transfer of control of services or goods;
- Testing, on a sampling basis, revenue recognized for CRDMO contracts under FFS basis occurring before and after year-end and tracing the samples to evidence supporting the transfer of control of goods or services to determine that the revenue is recognized in the correct accounting period.



Independent Auditor's Report

Other Information

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

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

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

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

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

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

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

Independent Auditor's Report



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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



Independent Auditor's Report

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Leung, David.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 24, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025



	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5	21,790,018	18,675,371
Cost of sales		(11,771,506)	(11,024,551)
Gross profit		10,018,512	7,650,820
Other income	7	639,711	588,078
Impairment losses under expected credit loss model, net of reversal	10	(205,333)	(151,779)
Other gains and losses	8	113,756	(181,576)
Selling and marketing expenses		(608,816)	(473,601)
Administrative expenses		(1,704,490)	(1,673,514)
Research and development expenses		(853,374)	(766,443)
Financing costs	9	(143,059)	(157,587)
Profit before tax	10	7,256,907	4,834,398
Income tax expense	11	(1,523,680)	(889,027)
Profit for the year		5,733,227	3,945,371
Other comprehensive income (expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		—	(21,486)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		898,331	(429,472)
Fair value gain (loss) on hedging instruments designated in cash flow hedges, net foreign investment hedges and time value within fair value hedges, net of income tax		188,470	(377,762)
Other comprehensive income (expense) for the year		1,086,801	(828,720)
Total comprehensive income for the year		6,820,028	3,116,651

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	NOTE	2025 RMB'000	2024 RMB'000
Profit for the year attributable to:			
Owners of the Company		4,908,343	3,356,081
Non-controlling interests		824,884	589,290
		<u>5,733,227</u>	<u>3,945,371</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		6,013,420	2,524,660
Non-controlling interests		806,608	591,991
		<u>6,820,028</u>	<u>3,116,651</u>
		RMB	RMB
Earnings per share — Basic	13	<u>1.22</u>	<u>0.82</u>
— Diluted	13	<u>1.16</u>	<u>0.78</u>

Consolidated Statement of Financial Position

At December 31, 2025



	NOTES	2025 RMB'000	2024 RMB'000
Non-current Assets			
Property, plant and equipment	15	27,738,917	26,070,458
Right-of-use assets	16	2,015,125	2,364,916
Goodwill	17	1,529,914	1,529,914
Intangible assets	20	467,197	442,369
Investment of an associate measured at fair value through profit or loss ("FVTPL")	18	1,151,750	1,266,560
Financial assets at FVTPL	21	2,051,040	1,133,265
Finance lease receivables	22	50,765	85,665
Deferred tax assets	19	500,888	444,318
Other long-term deposits and prepayments	23	55,793	66,779
		35,561,389	33,404,244
Current Assets			
Inventories	24	1,381,257	1,521,669
Finance lease receivables	22	8,398	11,027
Trade and other receivables	26	8,852,792	6,240,747
Contract assets	27	109,496	191,927
Contract costs	25	2,010,157	1,492,931
Tax recoverable		36,184	14,105
Financial assets at FVTPL	21	931,982	523,593
Pledged bank deposits	28	4,303	13,854
Time deposits	28	5,586,994	1,907,016
Bank balances and cash	28	9,213,786	8,279,182
		28,135,349	20,196,051
Assets classified as held for sale	29	—	3,377,140
		28,135,349	23,573,191
Current Liabilities			
Trade and other payables	30	3,287,418	2,778,195
Borrowings	33	873,517	2,435,302
Contract liabilities	31	2,787,538	2,355,772
Income tax payable		791,289	647,658
Lease liabilities	34	381,952	183,704
Derivative financial liabilities	32	188	220,620
Provisions	36	185,656	—
		8,307,558	8,621,251
Net Current Assets		19,827,791	14,951,940
Total Assets less Current Liabilities		55,389,180	48,356,184

Consolidated Statement of Financial Position

At December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current Liabilities			
Deferred tax liabilities	19	139,020	97,306
Borrowings	33	169,381	200,898
Contract liabilities	31	—	142,770
Lease liabilities	34	1,679,216	2,119,945
Deferred income	35	341,081	317,696
Other non-current liabilities	36	21,138	—
		<u>2,349,836</u>	<u>2,878,615</u>
Net Assets		<u>53,039,344</u>	<u>45,477,569</u>
Capital and Reserves			
Share capital	37	227	226
Reserves		<u>47,248,449</u>	<u>41,818,983</u>
Equity attributable to owners of the Company		<u>47,248,676</u>	<u>41,819,209</u>
Non-controlling interests		<u>5,790,668</u>	<u>3,658,360</u>
Total Equity		<u>53,039,344</u>	<u>45,477,569</u>

The consolidated financial statements on pages 107 to 256 were approved and authorized for issue by the Board of Directors on March 24, 2026 and are signed on its behalf by:

Zhisheng Chen
DIRECTOR

Sherry Xuejun Gu
DIRECTOR

Consolidated Statement of Changes In Equity

For the year ended December 31, 2025



	Attributable to owners of the Company												
	Share capital RMB'000	Treasury stock RMB'000	Share premium RMB'000	Statutory reserve RMB'000 (note i)	Equity-settled	Hedging reserve RMB'000	FVTOCI reserve RMB'000	Group reorganization reserve RMB'000 (note iii)	Foreign	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
					share-based				currency				
					compensation reserve RMB'000 (note ii)				translation reserve RMB'000				
At January 1, 2024	235	(916,916)	24,488,631	1,492,076	2,634,882	(35,253)	(113,042)	(4,636)	(700,167)	13,485,787	40,331,597	3,686,285	44,017,882
Profit for the year	—	—	—	—	—	—	—	—	—	3,356,081	3,356,081	589,290	3,945,371
Other comprehensive (expense) income for the year	—	—	—	—	—	—	—	—	—	—	—	—	—
— Fair value adjustments on hedges	—	—	—	—	—	(280,050)	—	—	—	—	(280,050)	—	(280,050)
— Recycling from hedging reserve to profits or loss	—	—	—	—	—	160,117	—	—	—	—	160,117	—	160,117
— Fair value change of equity instruments at FVTOCI	—	—	—	—	—	—	(21,486)	—	—	—	(21,486)	—	(21,486)
— Fair value adjustments on hedges of net investments in foreign operations	—	—	—	—	—	—	—	—	(257,829)	—	(257,829)	—	(257,829)
— Exchange differences arising from translation of foreign operations	—	—	—	—	—	—	—	—	(432,173)	—	(432,173)	2,701	(429,472)
Total comprehensive (expense) income for the year	—	—	—	—	—	(119,933)	(21,486)	—	(690,002)	3,356,081	2,524,660	591,991	3,116,651
Transfer to statutory reserve	—	—	—	485,930	—	—	—	—	—	(485,930)	—	—	—
Recognition of equity-settled share-based compensation	—	—	—	—	1,147,465	—	—	—	—	—	1,147,465	61,527	1,208,992
Exercise of pre-IPO share options and vest of restricted shares of the Company	1	—	2,158,929	—	(2,143,175)	—	—	—	—	—	15,755	—	15,755
Exercise of WuXi XDC Share Option Schemes	—	—	(2,562)	—	(1,196)	—	—	—	—	—	(3,758)	7,871	4,113
Repurchase of shares (note v)	—	(1,765,946)	—	—	—	—	—	—	—	—	(1,765,946)	—	(1,765,946)
Cancellation of treasury stock (Note 37)	(10)	2,682,862	(2,682,852)	—	—	—	—	—	—	—	—	—	—
Acquisition of non-controlling interest of subsidiaries (Note 48)	—	—	(430,564)	—	—	—	—	—	—	—	(430,564)	(689,314)	(1,119,878)
As at December 31, 2024	226	—	23,531,582	1,978,006	1,637,976	(155,186)	(134,528)	(4,636)	(1,390,169)	16,355,938	41,819,209	3,658,360	45,477,569
Profit for the year	—	—	—	—	—	—	—	—	—	4,908,343	4,908,343	824,884	5,733,227
Other comprehensive income (expense) for the year	—	—	—	—	—	—	—	—	—	—	—	—	—
— Fair value adjustments on hedges	—	—	—	—	—	77,001	—	—	—	—	77,001	—	77,001
— Recycling from hedging reserve to profits or loss	—	—	—	—	—	78,185	—	—	—	—	78,185	—	78,185
— Fair value adjustments on hedges of net investments in foreign operations	—	—	—	—	—	—	—	—	33,284	—	33,284	—	33,284
— Exchange differences arising from translation of foreign operations	—	—	—	—	—	—	—	—	916,607	—	916,607	(18,276)	898,331
Total comprehensive income for the year	—	—	—	—	—	155,186	—	—	949,891	4,908,343	6,013,420	806,608	6,820,028

Consolidated Statement of Changes In Equity

For the year ended December 31, 2025

	Attributable to owners of the Company												
	Share capital RMB'000	Treasury stock RMB'000	Share premium RMB'000	Statutory reserve RMB'000 (note i)	Equity-settled share-based compensation reserve RMB'000 (note ii)	Hedging reserve RMB'000	FVTOCI reserve RMB'000	Group reorganization reserve RMB'000 (note iii)	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Transfer to statutory reserve	—	—	—	452,233	—	—	—	—	—	(452,233)	—	—	—
Recognition of equity-settled share-based compensation	—	—	—	—	901,760	—	—	—	—	—	901,760	64,295	966,055
Exercise of pre-IPO share options and vest of restricted shares of the Company	7	—	613,122	—	(476,274)	—	—	—	—	—	136,855	—	136,855
Exercise of WuXi XDC Share Option Schemes	—	—	(6,209)	—	(8,499)	—	—	—	—	—	(14,708)	41,839	27,131
Issue of new shares of a subsidiary (note iv)	—	—	—	—	—	—	—	—	—	—	—	1,195,974	1,195,974
Transaction costs of issue of new shares of a subsidiary (note iv)	—	—	—	—	—	—	—	—	—	—	—	(7,176)	(7,176)
Effect of dilution from issue of new shares of a subsidiary (note iv)	—	—	(30,768)	—	—	—	—	—	—	—	(30,768)	30,768	—
Repurchase of shares (note v)	—	(1,576,550)	—	—	—	—	—	—	—	—	(1,576,550)	—	(1,576,550)
Cancellation of treasury stock (Note 37)	(6)	1,576,550	(1,577,086)	—	—	—	—	—	—	—	(542)	—	(542)
As at December 31, 2025	227	—	22,530,641	2,430,239	2,054,963	—	(134,528)	(4,636)	(440,278)	20,812,048	47,248,676	5,790,668	53,039,344

Notes:

- i. In accordance with the Articles of Association of all subsidiaries of WuXi Biologics (Cayman) Inc. (the "**Company**") established in the People's Republic of China (the "**PRC**"), they are required to transfer 10% of the profit after tax to the statutory reserve until the reserve reaches 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.
- ii. The amount represents the equity-settled share-based compensation attributable to owners of the Company in respect of:
 - (a) the share options for shares of WuXi PharmaTech (Cayman) Inc. ("**WuXi PharmaTech**"), the then ultimate holding company of the Company before completing the group reorganization of the Company (see note iii below), granted by WuXi PharmaTech to certain directors and employees of the Company and its subsidiaries (collectively referred to as the "**Group**") for their services rendered to the Group;
 - (b) the equity-settled share-based compensation under the Company's pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**");
 - (c) the Company's restricted share award scheme (the "**Restricted Share Award Scheme**");
 - (d) the Company's global partner program share scheme (the "**Global Partner Program Share Scheme**");
 - (e) the share option schemes of the Company's subsidiaries (the "**Subsidiary Share Option Scheme**"); and
 - (f) the restricted share award scheme of the Company's subsidiaries (the "**Subsidiary Restricted Share Award Scheme**").

Consolidated Statement of Changes In Equity

For the year ended December 31, 2025



- iii. Group reorganization reserve represents the combined capital contribution of the entities comprising the Group, net of the settlement of the payables to their then shareholders; and the administration service cost borne or on behalf of the fellow subsidiaries by the Company prior to the completion of a group reorganization to rationalize the current group structure as at December 31, 2015.
- iv. During the year ended December 31, 2025, WuXi XDC Cayman Inc. ("**WuXi XDC**"), a subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), issued and allotted new ordinary shares for a total consideration approximately RMB2,492,738,000 and net with a transaction cost of RMB7,176,000. Of which, the Group subscribed 24,134,000 new shares of WuXi XDC at a total consideration of RMB1,296,764,000 under a specific mandate, and other public shareholders subscribed 22,277,000 new shares of WuXi XDC at a total consideration of RMB1,195,974,000 under a general mandate. Following this, this resulted in an effect of dilution from the shareholding of the Group on WuXi XDC amounting to approximately RMB30,768,000.
- v. During the year ended December 31, 2025, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregate consideration paid RMB'000
		Highest HK\$	Lowest HK\$	
January 2025	9,509,500	17.66	17.20	153,292
April 2025	51,030,000	20.40	16.82	878,372
July 2025	23,180,000	26.15	25.20	544,886

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Profit before tax	7,256,907	4,834,398
Adjustments for:		
Financing costs	143,059	157,587
Interest income from banks and other financial assets at amortized cost	(394,582)	(350,366)
Depreciation for property, plant and equipment	1,224,299	1,203,911
Depreciation of right-of-use assets	170,366	173,720
Amortization of intangible assets	53,781	59,423
Impairment loss, net of reversal		
— trade and other receivables	203,444	139,968
— contract assets	1,889	11,811
Write-down of inventories, net of reversal	134,258	48,327
Write-down of contract costs	29,983	24,428
Net foreign exchange loss (gain)	174,434	(525,439)
Share-based compensation expense	955,055	1,215,587
Income from research and other grants related to asset	(35,424)	(25,855)
Gain on fair value changes of wealth management products	(44,683)	(47,782)
(Gain) loss on fair value changes of equity investments at FVTPL	(1,162,488)	6,361
Loss on fair value changes of investment of an associate measured at FVTPL	161,677	133,136
Loss on derivative financial instruments	5,468	52,390
Dividend income from an equity instrument at FVTPL	(40,064)	(1,170)
Loss (gain) on disposal and retirement of property, plant and equipment and assets classified as held for sale	634,683	(456)
Operating cash flows before movements in working capital	9,472,062	7,109,979
Decrease in inventories	6,391	201,850
Increase in contract costs	(367,644)	(218,379)
Increase in trade and other receivables	(2,668,074)	(134,873)
Decrease in contract assets	78,377	296,805
Decrease (increase) in other long-term deposits	12,118	(8,310)
Increase (decrease) in contract liabilities	413,559	(1,312,998)
Increase in trade and other payables	797,370	375,383
(Decrease) increase in deferred income	(3,184)	18
Cash generated from operations	7,740,975	6,309,475
Income taxes paid	(1,400,053)	(1,092,218)
NET CASH FROM OPERATING ACTIVITIES	6,340,922	5,217,257

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

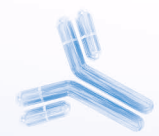


	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	4,177,436	87,328
Purchases of property, plant and equipment	(3,685,115)	(3,929,621)
Purchases of intangible assets	(50,604)	—
Payments for rental deposits	(980)	(800)
Refund of rental deposits	1,744	—
Additional investment in an associate	(60,000)	—
Assets related research and other grants received	54,430	88,498
Withdrawal of pledged bank deposits	9,380	6,441
Placement of pledged bank deposits	—	(2,073)
Dividends received from an equity instrument at FVTPL	39,493	1,170
Withdrawal of financial assets at FVTPL	6,606,768	10,632,906
Placement of financial assets at FVTPL	(6,781,253)	(9,474,729)
Receipt of interest from banks	337,361	343,716
Withdrawal of time deposits	3,020,123	260,000
Placement of time deposits	(6,737,565)	(1,806,145)
Net settlement of derivative financial instruments	(18,360)	(148,397)
NET CASH USED IN INVESTING ACTIVITIES	(3,087,142)	(3,941,706)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	1,121,975	1,128,640
Repayments of bank borrowings	(2,751,310)	(638,539)
Interest paid	(159,566)	(200,611)
Repayments of lease liabilities	(149,839)	(180,137)
Proceeds from exercise of pre-IPO share options of the Company	136,855	15,755
Proceeds from exercise of WuXi XDC Share Option Schemes	26,211	3,637
Net proceeds from issue of new shares of a subsidiary	1,188,798	—
Acquisition of partial interest of subsidiaries	—	(1,110,884)
Payment of transaction cost of issue of new shares of a subsidiary	—	(2,106)
Payments on repurchase of shares	(1,576,550)	(1,765,946)
Cancellation of treasury stock	(542)	—
NET CASH USED IN FINANCING ACTIVITIES	(2,163,968)	(2,750,191)
Effect of foreign exchange rate changes	(155,208)	83,983
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	934,604	(1,390,657)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,279,182	9,669,839
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR, represented by bank balances and cash	9,213,786	8,279,182



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



1. GENERAL INFORMATION

The Company was established in the Cayman Islands as an exempted company with limited liability on February 27, 2014, and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since June 13, 2017. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report. The Company is an investment holding company. The Group is a contract research, development and manufacturing organization ("**CRDMO**") offering end-to-end solutions for biologics discovery, development and manufacturing.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to the IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

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

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

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

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

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

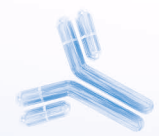
IFRS 18 *Presentation and Disclosure in Financial Statements*

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



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

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

IFRS 18 Presentation and Disclosure in Financial Statements (Continued)

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

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

3.1 Basis of preparation of consolidated financial statements

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

3.2 Material accounting policy information

Basis of consolidation

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

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

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

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

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

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

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

Changes in the Group's interests in existing subsidiaries

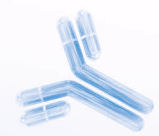
Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Goodwill

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

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

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

Investments in subsidiaries

Investments in subsidiaries are stated at cost less than any identified impairment loss on the statement of financial position of the Company.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Investment of an associate measured at FVTPL

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment of an associate was made in the form of ordinary shares with preferential rights and measured at financial assets at FVTPL.

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

Disposal group held for sale

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

Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

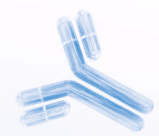
Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5, 25, 27 and 31.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases (including equipment, office, laboratories and staff dormitories) that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes the amounts of the initial measurement of the lease liabilities.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease.

The lease payments include:

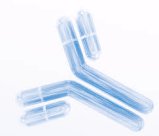
- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

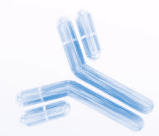
Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rate prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Research and other grants

Research and other grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

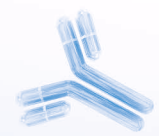
Research and other grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, research and other grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Research and 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 recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the schemes. Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave, and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees (including directors of the Company) are measured at the fair value of the equity instruments at the grant date.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (equity-settled share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based compensation reserve.

When the share options are exercised, the amount previously recognized in equity-settled share-based compensation reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in equity-settled share-based compensation reserve will continue to be held in equity-settled share-based compensation reserve.

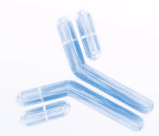
Restricted share award payment transactions

For shares of the Group granted under Restricted Share Award Scheme and Global Partner Program Share Scheme ("**Restricted Shares**"), the fair value of the employee services received is determined by reference to the fair value of the Restricted Shares granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (equity-settled share-based compensation reserve). At the end of each reporting period, the Group revises its estimates of the number of Restricted Shares that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates, if any, is recognized in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity-settled share-based compensation reserve.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

Restricted share award payment transactions (Continued)

When the Restricted Shares are vested, the amount previously recognized in equity-settled share-based compensation reserve will be transferred to share premium.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

If the modification reduces the total fair value of the share-based arrangements, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

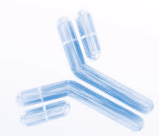
Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment other than assets under construction in progress are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

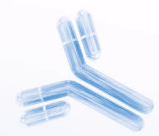
Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognized in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

Depreciation is recognized so as to write off the cost of assets other than property, plant and equipment in the course of construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Internally-generated intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

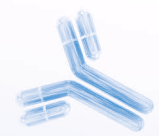
Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, contract costs and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill (Continued)

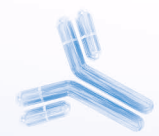
Before the Group recognizes an impairment loss for assets capitalized as contract costs under IFRS 15, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which consists of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which consists of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the selling price less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

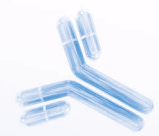
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

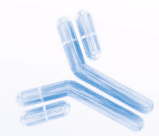
- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective as a hedging instrument.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

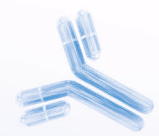
Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets as FVTPL are measured at fair value at the end of each reporting, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, other long-term deposits, bills receivables, time deposits, pledged bank deposits and bank balances) and other items (finance lease receivables and contract assets) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivable, contract assets and finance lease receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

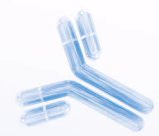
In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 60 weighted average overdue days, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on the other financial instrument has not increased significantly since initial recognition if the other financial instrument is determined to have low credit risk at the reporting date. Other financial instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers other financial instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 180 weighted average overdue days unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

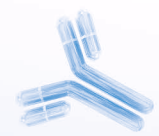
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

Lifetime ECL for certain trade receivables/contract assets/finance lease receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

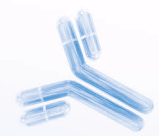
Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, finance lease receivables and contract assets where the corresponding adjustment is recognized through a loss allowance account.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item as part of the net foreign exchange gains/(losses); and
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item as part of the fair value gain/(losses) of financial assets.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortized cost

Financial liabilities including borrowings and trade and other payables are subsequently measured at amortized cost, using the effective interest method.

Foreign exchange gains and losses

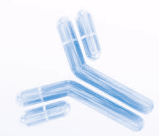
For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'other gains and losses' line item in profit or loss as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments for fair value hedges and cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss.

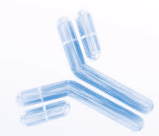
The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss.

Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "other gains and losses" line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future that amount is immediately reclassified to profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "other gains or losses" line item.

Gains or losses on the hedging instrument relating to the effective portion of the hedge accumulated in the translation reserve are reclassified to profit or loss on disposal of the foreign operation.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Discontinuation of hedge accounting

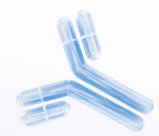
The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transactions is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with special conditions but not credit-impaired are assessed individually. For the remaining trade receivables and contract assets, the Group applies a collective assessment by grouping debtors that shared similar credit risk characteristics.

The Group determines internal credit ratings and provision rates for each group. The provision rates are based on the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 39(b).

As at December 31, 2025, the carrying amount of trade receivables is RMB7,646,550,000 (2024: RMB5,515,440,000) net of loss allowances of RMB1,136,079,000 (2024: RMB969,375,000).

Additionally, as at December 31, 2025, the carrying amount of contract assets is RMB109,496,000 (2024: RMB191,927,000) net of loss allowances of RMB42,270,000 (2024: RMB38,217,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value measurements of unlisted equity investments

As at December 31, 2025, certain of the Group's investments in unlisted equity instruments accounted under financial assets at FVTPL and investment of an associate measured at FVTPL amounting to RMB807,807,000 (2024: RMB951,523,000) and RMB1,151,750,000 (2024: RMB1,266,560,000), respectively. The fair value of these instruments are determined based on direct or indirect observable inputs or significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and relevant inputs thereof. Any changes in the underlying assumptions could affect the fair values of these instruments. Details of the fair value measurement are disclosed in Note 39(c).

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated. This recoverable amount is determined based on value-in-use calculation. The value-in-use calculation involves significant management judgements and forward looking estimates, particularly regarding factors such as revenue growth rate and long-term growth rate used in project the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units). Additionally, selecting an appropriate discount rate to determine the present value of these cash flows is critical. Where the actual future cash flows fall short of expectations, or if change in facts and circumstances leads to a downward revision of future cash flows or upward adjustment of the discount rate, a material impairment loss may arise.

As at December 31, 2025, the carrying amount of goodwill is RMB1,529,914,000 (2024: RMB1,529,914,000). Details of the recoverable amount calculation are disclosed in Note 17.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of contract costs

The Group periodically assesses whether contract costs are recoverable by evaluating the remaining amount of consideration expected to be received in exchange of goods or services. Impairment is recognized on contract costs where events or changes in circumstances indicate that the remaining amount of consideration expected to be received less the costs directly related to providing goods or services that have not been recognized as expense is lower than the carrying amount of contract costs. The remaining amount of consideration to be received is determined based on the remaining amount of consideration expected to be recognized upon the completion of the contract. Where the expectation is deviate from the original estimate, such difference will impact the carrying value of contract costs in the year in which such estimate changes.

As at December 31, 2025, the carrying amounts of contract costs are RMB2,010,157,000 (2024: RMB1,492,931,000) (net of write-down of approximately RMB116,817,000 (2024: RMB86,834,000)).

Allowance for inventories

The Group reviews the carrying amount of inventories at each balance sheet date to determine whether the inventories are carried at the lower of cost and realizable value. Net realizable value is estimated based on current usable condition and historical experience on similar inventories. Any change in these assumptions may increase or decrease the amount of inventory allowance or its subsequent reversal. The change in allowance would affect the Group's loss for the year.

As at December 31, 2025, the carrying amounts of inventories are RMB1,381,257,000 (2024: RMB1,521,669,000) (net of write-down of approximately RMB216,683,000 (2024: RMB186,004,000)).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



5. REVENUE

(i) Disaggregation of revenue from contracts with customers

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

	2025 RMB'000	2024 RMB'000
Type of services		
CRDMO services	21,413,996	18,362,739
Others	376,022	312,632
Total	21,790,018	18,675,371
Timing of revenue recognition		
A point in time		
— CRDMO services	20,652,700	16,924,365
— Others	376,022	312,632
Over time		
— CRDMO services	761,296	1,438,374
Total	21,790,018	18,675,371

CRDMO services

The Group offers end-to-end solutions for biologics discovery, development and manufacturing. Revenue generated from CRDMO services is derived from the transfer of services and/or goods through contracts under fee-for-service ("FFS") basis and full-time-equivalent ("FTE") basis. During the year ended December 31, 2025, revenue from CRDMO contracts under FFS basis and FTE basis was RMB21,020,631,000 and RMB393,365,000 (December 31, 2024: RMB17,883,051,000 and RMB479,688,000), respectively.

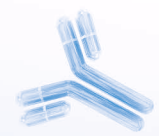
Others

Others mainly include sales of other biologics products by two non-wholly owned subsidiaries of the Group which primarily engage in production and sale of biologics purification medium and chromatographic column.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies

CRDMO services

FFS basis

The Group primarily generates revenue by providing CRDMO services through contracts under FFS basis, with contract duration of which generally ranging from few months to years.

Most of FFS contracts entered by the Group include multiple deliverable units. Usually, each deliverable unit is recognized as a performance obligation. These deliverables typically consist of technical laboratory reports, samples and/or products for commercial manufacturing. Revenue from these contractual elements is recognized at the point when the deliverable units are accepted by the customers. The contracts typically include milestones-based payment schedules, requiring stage payments throughout the service period upon reaching specified milestones. The Group's performance does not create an asset with alternative future use since the Group cannot redirect the asset for use on another customer, and at the same time the Group has a present right to payment from the customers for services performed only upon acceptance of the deliverable units by the customers. Based on these factors, the Group's management has determined that the performance obligation of such contracts is satisfied at a point in time and recognized revenue at a point in time.

For certain type of contracts under FFS basis, services are delivered to the customers based on the extent of progress towards completion of the performance obligation as the Group's performance does not create an asset with an alternative future use and the contract terms specify that the Group has an enforceable right to payment for performance completed to date. Therefore, revenue generated from such FFS contracts is recognized over time using input method.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (Continued)

CRDMO services (Continued)

FTE basis

For CRDMO services provided through contracts under FTE basis, the Group provides its customer with a project team of employees dedicated to the customer's projects for a specific period of time and charges the customer at a fixed hourly/daily rate per employee. For the services through contracts under FTE basis, the management of the Group has assessed and determined that the customers simultaneously receive and consume benefit provided by the Group's performances. As a result, the performance obligation of contracts under FTE basis is satisfied over time and revenue is recognized over the service period. The customers shall pay the Group a prorated amount for the service based on the fixed rate per employee.

Others

For sales of other biologics products, revenue is recognized at a point in time upon customers' acceptance of the deliverable goods.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The aggregate amount of the transaction price allocated to performance obligations of goods or services that are unsatisfied (or partially unsatisfied) was RMB166,691 million as at December 31, 2025 (December 31, 2024: RMB132,891 million). The management of the Group expects that RMB31,824 million of the total transaction price allocated to the unfulfilled contracts as at December 31, 2025 during the reporting period will be recognized as revenue within three years from the reporting date (December 31, 2024: RMB26,242 million). The amounts and timing disclosed above represent the Group's expectation on the progress of contract execution.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6. OPERATING SEGMENTS

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

WuXi XDC, a subsidiary of the Company, has been listed separately on the Main Board of the Stock Exchange since November 17, 2023. Therefore, the CODM considered the Group has two reportable segments for the purpose of allocation of performance assessment as set out below.

Segment revenue and results

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

For the year ended December 31, 2025

	Biologics RMB'000	XDC RMB'000	Eliminations RMB'000	Consolidated RMB'000
SEGMENT REVENUE				
External sales	15,889,806	5,900,212	—	21,790,018
Inter-segment sales	<u>2,249,272</u>	<u>44,033</u>	<u>(2,293,305)</u>	<u>—</u>
	<u>18,139,078</u>	<u>5,944,245</u>	<u>(2,293,305)</u>	<u>21,790,018</u>
Segment results	<u>5,551,428</u>	<u>1,736,626</u>	<u>—</u>	<u>7,288,054</u>
Unallocated expenses				<u>(31,147)</u>
Group's profit before tax				<u><u>7,256,907</u></u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



6. OPERATING SEGMENTS (Continued)

Segment revenue and results (Continued)

For the year ended December 31, 2024

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment results represent the profit earned by each segment without allocation of central administration costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

The CODM makes decisions according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6. OPERATING SEGMENTS (Continued)

Geographical information

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

	2025 RMB'000	2024 RMB'000
Revenue		
— North America	12,653,479	10,695,807
— Europe	5,042,202	4,322,782
— PRC	2,679,835	2,820,434
— Rest of the world	1,414,502	836,348
	<u>21,790,018</u>	<u>18,675,371</u>

As at December 31, 2025, other than investment of an associate measured at FVTPL, financial assets and deferred tax assets, the Group had non-current assets located in Ireland, Germany, the U.S. and Singapore which amounted to RMB7,970,855,000, RMB2,576,665,000, RMB2,214,305,000 and RMB3,971,088,000, respectively (December 31, 2024: RMB7,600,712,000, RMB3,593,255,000, RMB2,392,077,000 and RMB1,717,993,000, respectively), and the remaining non-current assets are located in the PRC.

Information about major customers

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

	2025 RMB'000	2024 RMB'000
Customer A (<i>note</i>)	<u>N/A</u>	<u>2,064,954</u>

Note: During the year, no individual customer contributed 10% or more of the Group's total revenue.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income from banks and other financial assets at amortized cost	394,582	350,366
Research and other grants related to		
— Asset (<i>note i</i>)	35,424	25,855
— Income (<i>note ii</i>)	169,641	210,687
Dividend from an equity instrument at FVTPL	40,064	1,170
	<u>639,711</u>	<u>588,078</u>

Notes:

- i. The Group has received certain research and other grants as incentive for investing in laboratory equipment. The grants were recognized in profit or loss over the useful lives of the relevant assets. Details of the grants are set out in Note 35.
- ii. Income from research and other grants of the Group during the year were mainly related to the Group's contribution to the local high-tech industry and economy. These grants are unconditional and accounted for as immediate financial support with no future related costs expected to be incurred and not related to any assets of the Group.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

8. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Net foreign exchange loss	(267,454)	(45,223)
Loss on derivative financial instruments	(5,468)	(52,390)
Fair value gain (loss) on		
— listed equity securities at FVTPL	958,418	(83,859)
— unlisted equity investments at FVTPL	204,070	77,498
— investment of an associate measured at FVTPL	(161,677)	(133,136)
— wealth management products	44,683	47,782
(Loss) gain on disposal/retirement of property, plant and equipment	(634,683)	456
Others	(24,133)	7,296
	<u>113,756</u>	<u>(181,576)</u>

9. FINANCING COSTS

	2025 RMB'000	2024 RMB'000
Interest expense on financing component of an advance payment received from a customer recorded as contract liabilities	—	10,563
Interest expense on bank borrowings	77,481	120,078
Interest expense on lease liabilities	80,660	82,812
	<u>158,141</u>	<u>213,453</u>
Less: amounts capitalized in the cost of qualifying assets	(15,082)	(55,866)
	<u>143,059</u>	<u>157,587</u>

During the current year, there was no borrowing cost capitalized to expenditure on qualifying assets (2024: capitalize rates varying from 6.34% to 6.45% per annum).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



10. PROFIT BEFORE TAX

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

	2025 RMB'000	2024 RMB'000
Depreciation for property, plant and equipment	1,429,342	1,337,882
Depreciation for right-of-use assets	257,617	261,900
Amortization of intangible assets	53,781	59,423
	<u>1,740,740</u>	<u>1,659,205</u>
Staff cost (including directors' emoluments):		
— Salaries and other benefits	5,880,242	5,073,271
— Retirement benefits scheme contributions	479,701	460,568
— Share-based payment expenses	966,055	1,208,992
	<u>7,325,998</u>	<u>6,742,831</u>
Depreciation, amortization, and staff cost capitalized in:		
— Property, plant and equipment	(610,914)	(618,844)
— Contract costs	(804,291)	(655,263)
	<u>(1,415,205)</u>	<u>(1,274,107)</u>
Impairment losses under expected credit loss model, net of reversal		
— Trade receivables	203,444	139,968
— Contract assets	1,889	11,811
	<u>205,333</u>	<u>151,779</u>
Auditors' remuneration		
— Auditor of the Company	7,321	7,169
Write-down of inventories (included in cost of sales)	161,681	96,673
Reversals of inventories write-down (included in cost of sales)	(27,423)	(48,346)
Write-down of contract costs (included in cost of sales)	92,843	79,373
Reversals of contract costs write-down (included in cost of sales)	(62,860)	(54,945)
Cost of inventories recognized as an expense (including write-down and reversal of write-down of inventories)	<u>4,014,995</u>	<u>3,635,571</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

11. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax:		
— PRC Enterprise Income Tax ("EIT")	1,261,467	1,078,907
— Hong Kong Profits Tax	265,594	160,376
— Other jurisdictions	83,711	27,364
Over provision in prior years	(90,231)	(153,788)
	<u>1,520,541</u>	<u>1,112,859</u>
Deferred tax:		
— Current year	<u>3,139</u>	<u>(223,832)</u>
	<u>1,523,680</u>	<u>889,027</u>

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

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

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

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

Notes to the Consolidated Financial Statements

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11. INCOME TAX EXPENSE (Continued)

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong, Singapore, Germany, Ireland and the United Kingdom in which certain subsidiaries are incorporated. The Group has either passed the Transitional CbCR Safe Harbor ("**TCSH**") testing or estimated per the Global Anti-Base Erosion ("**GloBE**") calculation rules higher than 15% effective tax rates in certain jurisdictions who do not satisfy TCSH. The management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The Group has applied the temporary mandatory exception from recognizing and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Group continues to evaluate the impact of the Pillar Two income taxes legislation on its future financial performance.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	7,256,907	4,834,398
Tax charge at the EIT rate of 25%	1,814,227	1,208,600
Tax effect of income not taxable for tax purpose	(104,148)	(98,632)
Tax effect of expenses not deductible for tax purpose	563,605	601,040
Over provision in respect of prior years	(90,231)	(153,788)
Effect of super deduction of research and development expense	(138,491)	(133,198)
Effect of unused tax losses and temporary differences not recognized as deferred tax assets	371,654	399,544
Utilization of tax losses previously not recognized as deferred tax assets	(4,376)	(6,046)
Recognition of tax losses and temporary differences previously not recognized as deferred tax assets	—	(202,024)
Tax at concessionary rates	(740,460)	(691,533)
Decrease in opening deferred tax assets resulting from a decrease in applicable tax rates	3,812	389
Effect of different tax rate of entities operating in other jurisdictions	(151,912)	(35,325)
Income tax expense	1,523,680	889,027

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12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors and the Chief Executive of the Company for service provided to the Group during the years ended December 31, 2025 and 2024 are as follows:

For the year ended December 31, 2025

	Director's fee RMB'000	Salaries and other benefits RMB'000	Performance- based bonus RMB'000 (note vi)	Retirement benefit scheme contributions RMB'000	Share-based compensation RMB'000	Total RMB'000
<i>Chief executive and executive director:</i>						
Dr. Zhisheng Chen (note i)	—	8,081	8,311	—	62,858	79,250
Dr. Sherry Xuejun Gu (note v)	—	4,150	1,046	113	9,455	14,764
<i>Non-executive directors:</i>						
Dr. Ge Li	—	—	—	—	—	—
Dr. Weichang Zhou (note ii)	1,747	—	—	—	20,418	22,165
Ms. Jingwen Miao (note iv)	—	—	—	—	—	—
Mr. Yanling Cao	—	—	—	—	—	—
<i>Independent non-executive directors:</i>						
Mr. William Robert Keller	1,947	—	—	—	—	1,947
Mr. Kenneth Walton Hitchner III	1,947	—	—	—	—	1,947
Mr. Jackson Peter Tai	1,947	—	—	—	—	1,947
Dr. Jue Chen	1,947	—	—	—	—	1,947
	<u>9,535</u>	<u>12,231</u>	<u>9,357</u>	<u>113</u>	<u>92,731</u>	<u>123,967</u>

Notes to the Consolidated Financial Statements

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12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

For the year ended December 31, 2024

	Director's fee RMB'000	Salaries and other benefits RMB'000	Performance- based bonus RMB'000 (note vi)	Retirement benefit scheme contributions RMB'000	Share-based compensation RMB'000	Total RMB'000
<i>Chief executive and executive director:</i>						
Dr. Zhisheng Chen (note i)	—	6,000	2,500	—	87,195	95,695
<i>Non-executive directors:</i>						
Dr. Ge Li	—	—	—	—	—	—
Dr. Weichang Zhou (note ii)	825	3,221	—	92	31,510	35,648
Dr. Yibing Wu (note iii)	—	—	—	—	—	—
Ms. Jingwen Miao (note iv)	—	—	—	—	—	—
Mr. Yanling Cao	—	—	—	—	—	—
<i>Independent non-executive directors:</i>						
Mr. William Robert Keller	1,098	—	—	—	—	1,098
Mr. Kenneth Walton Hitchner III	1,098	—	—	—	—	1,098
Mr. Jackson Peter Tai	1,098	—	—	—	—	1,098
Dr. Jue Chen	1,098	—	—	—	—	1,098
	<u>5,217</u>	<u>9,221</u>	<u>2,500</u>	<u>92</u>	<u>118,705</u>	<u>135,735</u>

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries.

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For the year ended December 31, 2025



12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Notes:

- i. Dr. Zhisheng Chen is the Chief Executive of the Group and his emoluments disclosed above included those services rendered by him as the Chief Executive.
- ii. On March 31, 2024, Dr. Weichang Zhou resigned as executive director and was appointed as non-executive director.

On June 6, 2025, Dr. Weichang Zhou resigned as non-executive director.
- iii. On November 20, 2024, Mr. Yibing Wu resigned as non-executive director of the Company.
- iv. On November 20, 2024, Ms. Jingwen Miao was appointed as non-executive director of the Company.
- v. On June 6, 2025, Dr. Sherry Xuejun Gu was appointed as executive director of the Company.
- vi. The performance-based bonus is discretionary based on the Group's financial results and the directors' performance, as reviewed by the remuneration committee of the board of the directors of the Company, and approved by the board of the directors of the Company.

Five highest paid individuals' emoluments

The five individuals with the highest emoluments in the Group include two (2024: two) directors disclosed above. The emoluments of the five highest paid individuals (including directors) for the years ended December 31, 2025 and 2024 were as follows:

	2025 RMB'000	2024 RMB'000
Director's fee	1,747	825
Salaries and other benefits	27,122	21,185
Performance-based bonus	15,190	5,777
Retirement benefits scheme contributions	113	109
Share-based compensation	122,982	163,059
	<u>167,154</u>	<u>190,955</u>

Notes to the Consolidated Financial Statements

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12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Five highest paid individuals' emoluments (Continued)

The emoluments of the five highest paid individuals were within the following bands:

	Number of individuals 2025	Number of individuals 2024
HK\$13,000,001 to HK\$13,500,000	—	1
HK\$16,000,001 to HK\$16,500,000	1	1
HK\$17,000,001 to HK\$17,500,000	1	—
HK\$24,000,001 to HK\$24,500,000	1	—
HK\$35,500,001 to HK\$36,000,000	—	1
HK\$38,500,001 to HK\$39,000,000	1	—
HK\$39,000,001 to HK\$39,500,000	—	1
HK\$86,500,001 to HK\$87,000,000	1	—
HK\$104,500,001 to HK\$105,000,000	—	1
	<u>5</u>	<u>5</u>

During the year ended December 31, 2025, no emoluments (2024: nil) were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived any emoluments during the year ended December 31, 2025 (2024: nil).

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13. EARNINGS PER SHARE

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

	2025 RMB'000	2024 RMB'000
Earnings:		
Earnings for the purpose of calculating basic earnings per share	4,908,343	3,356,081
Effect of dilutive potential ordinary shares: Adjustment to the share of profit of subsidiaries based on dilution of their earnings per share	(61,580)	(39,251)
Earnings for the purpose of diluted earnings per share	<u>4,846,763</u>	<u>3,316,830</u>
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,027,454,066	4,082,094,311
Effect of dilutive potential ordinary shares:		
Share options	110,730,994	136,913,597
Restricted shares	<u>37,589,365</u>	<u>8,156,659</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>4,175,774,425</u>	<u>4,227,164,567</u>

The weighted average number of ordinary shares shown above have been arrived at after deducting the weighted average effect on 51,104,250 shares (December 31, 2024: 67,478,244 shares) held by a trustee under Restricted Share Award Scheme as set out in Note 37 for the year ended December 31, 2025.

14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Transportation equipment RMB'000	Freehold land, buildings and staff living quarters RMB'000 (Note)	Leasehold and other improvements RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
COST							
As at January 1, 2024	6,649,101	975,360	7,984	6,195,306	3,357,493	13,749,665	30,934,909
Additions	41,842	4,918	768	113,106	—	3,767,946	3,928,580
Transfer from CIP	1,479,617	346,779	44	4,578,042	446,894	(6,851,376)	—
Disposals	(23,630)	(9,386)	(32)	(2,593)	(41,458)	—	(77,099)
Reclassified as held for sale (note 29)	(22,705)	(4,836)	(320)	(2,935,930)	—	(681,570)	(3,645,361)
Exchange alignment	(45,778)	(11,377)	32	(246,778)	1,489	(229,801)	(532,213)
As at December 31, 2024	8,078,447	1,301,458	8,476	7,701,153	3,764,418	9,754,864	30,608,816
Additions	17,452	2,067	—	16,929	1,807	3,958,080	3,996,335
Transfer from CIP	947,378	134,938	958	60,835	1,284,043	(2,444,213)	(16,061)
Reclassified as held for sale and disposed	(361,869)	(88,819)	—	(285,639)	(196,917)	(304,215)	(1,237,459)
Disposals and retirement	(48,155)	(10,287)	(710)	(13,887)	(158,168)	(663,874)	(895,081)
Exchange alignment	94,439	35,849	(67)	442,542	(1,055)	299,811	871,519
As at December 31, 2025	8,727,692	1,375,206	8,657	7,921,933	4,694,128	10,600,453	33,328,069
DEPRECIATION AND IMPAIRMENT							
As at January 1, 2024	(2,188,226)	(349,824)	(2,916)	(316,957)	(699,343)	—	(3,557,266)
Provided for the year	(680,123)	(139,762)	(1,067)	(289,529)	(227,401)	—	(1,337,882)
Eliminated on disposals	19,887	8,330	12	58	41,458	—	69,745
Reclassified as held for sale (note 29)	7,532	2,418	159	263,723	—	—	273,832
Exchange alignment	2,801	1,005	(2)	9,105	304	—	13,213
As at December 31, 2024	(2,838,129)	(477,833)	(3,814)	(333,600)	(884,982)	—	(4,538,358)
Provided for the year	(747,931)	(169,622)	(1,242)	(243,319)	(267,228)	—	(1,429,342)
Transfer from CIP	14,476	257	—	—	1,328	—	16,061
Reclassified as held for sale and disposed	110,971	18,524	—	86,434	56,862	—	272,791
Disposals and retirement	32,308	8,735	639	2,049	71,093	—	114,824
Exchange alignment	(7,075)	(3,398)	25	(13,370)	(1,310)	—	(25,128)
As at December 31, 2025	(3,435,380)	(623,337)	(4,392)	(501,806)	(1,024,237)	—	(5,589,152)
CARRYING VALUES							
As at December 31, 2024	5,240,318	823,625	4,662	7,367,553	2,879,436	9,754,864	26,070,458
As at December 31, 2025	5,292,312	751,869	4,265	7,420,127	3,669,891	10,600,453	27,738,917

Note: During the years ended December 31, 2025 and 2024, the Group disposed of certain staff living quarters in Shanghai to eligible employees as part of the employees' benefits. Some of these disposals were made under finance lease arrangements. Details are set out in Note 22.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Except for freehold land and CIP, the above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account of the residual value, as follows:

Machinery	4%–30% per annum
Furniture, fixtures and equipment	3%–33.3% per annum
Transportation equipment	18% per annum
Buildings and staff living quarters	1.4%–10% per annum
Leasehold and other improvements	5%–33.3% per annum

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Machinery and equipment RMB'000	Total RMB'000
As at December 31, 2025				
Carrying amount	359,453	1,357,818	297,854	2,015,125
As at December 31, 2024				
Carrying amount	371,106	1,650,761	343,049	2,364,916
For the year ended December 31, 2025				
Depreciation charge	9,998	201,424	46,195	257,617
Capitalized in contract costs	—	(14,737)	(4,667)	(19,404)
Capitalized in property, plant and equipment	—	(64,890)	(2,957)	(67,847)
	<u>9,998</u>	<u>121,797</u>	<u>38,571</u>	<u>170,366</u>
For the year ended December 31, 2024				
Depreciation charge	10,029	205,972	45,899	261,900
Capitalized in contract costs	—	(10,154)	(3,128)	(13,282)
Capitalized in property, plant and equipment	—	(70,680)	(4,218)	(74,898)
	<u>10,029</u>	<u>125,138</u>	<u>38,553</u>	<u>173,720</u>

Notes to the Consolidated Financial Statements

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16. RIGHT-OF-USE ASSETS (Continued)

	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	15,870	21,712
Total cash outflow for leases	246,369	284,661
Additions to right-of-use assets	160,410	103,168

In both years, the Group leases various offices, laboratories, plant and equipment for its operations. Lease contracts have entered into for fixed terms ranging from two to twenty years, with some lease contracts including extension options. Lease terms are negotiated on an individual basis and vary in terms and conditions. When determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Leasehold lands mainly represent upfront payments for leasehold lands in the PRC and Singapore. Land use right certificates have been obtained, as applicable, for leasehold land in the PRC.

The Group regularly entered into short-term leases for its equipment, offices, laboratories and staff dormitories. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses are disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB2,061,168,000 are recognized with related right-of-use assets of RMB1,655,672,000 as at December 31, 2025 (2024: lease liabilities of RMB2,303,649,000 are recognized with related right-of-use assets of RMB1,993,810,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

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17. GOODWILL

As at December 31, 2025, goodwill totaling RMB1,529,914,000 was recognized from acquisitions completed in prior years. These acquisitions include: (i) Bestchrom (Zhejiang) Biosciences Co., Ltd. ("**Bestchrom Zhejiang**", formerly known as Pinghu U-Pure Biosciences Co., Ltd.) and Bestchrom (Shanghai) Biosciences Ltd. ("**Bestchrom Shanghai**") (together with Bestchrom Zhejiang, "**Bestchrom**"), (ii) CMAB Biopharma Limited ("**CMAB BVI**") and its subsidiaries (collectively, the "**CMAB Group**"), and (iii) the payload and linker business (the "**Payload and Linker Business**").

	Acquisition of Bestchrom RMB'000	Acquisition of CMAB Group RMB'000	Acquisition of Payload and Linker Business RMB'000	Total RMB'000
COST AND CARRYING VALUES				
As at December 31, 2024 and December 31, 2025	<u>185,408</u>	<u>1,129,313</u>	<u>215,193</u>	<u>1,529,914</u>

(a) Acquisition of Bestchrom

Goodwill amounting to RMB185,408,000 arose from the Group's acquisition of 50.1% equity interest in Bestchrom by the Group during the year ended December 31, 2019.

For the purpose of impairment testing, Bestchrom are allocated as one individual cash-generating unit (the "**Bestchrom Unit**"). The recoverable amount of the Bestchrom Unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period and pre-tax discount rate of 14.0% (2024: 14.5%). Pre-tax discount rate reflects the current market assessment of the time value of money and the risks specific to the Bestchrom Unit. The Bestchrom Unit's expected annual revenue growth rate up to the financial year of 2030 ranges from 0% to 2% (2024: 0% to 2%). The Bestchrom Unit's cash flows beyond the 5-year period are extrapolated using a steady long-term growth rate of 2.0% (2024: 2.0%). Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows, including revenue growth rate, are based on the Bestchrom Unit's past performance and management's expectation for the market development.

As the recoverable amount of Bestchrom Unit is significantly above its carrying amount, the management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment.



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17. GOODWILL (Continued)

(b) Acquisition of CMAB Group

Goodwill amounting to RMB1,129,313,000 arose from the Group's acquisition of 100% equity interest in CMAB Group during the year ended December 31, 2021.

For the purpose of impairment testing, CMAB Group is allocated as one individual cash-generating unit (the "**CMAB Unit**"). The recoverable amount of the CMAB Unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 15% (2024: 15%). Pre-tax discount rate reflects the current market assessment of the time value of money and the risks specific to the CMAB Unit. The CMAB Unit's expected annual growth rate up to the financial year of 2030 ranges from 0% to 3.0% (2024: 0% to 5.8%). The CMAB Unit's cash flows beyond the 5-year period are extrapolated using a steady long-term growth rate of 2.0% (2024: 2.0%). Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows, including revenue growth rate, are based on the CMAB Group's past performance and management's expectation for the market development.

As the recoverable amount of the CMAB Unit is significantly above its carrying amount, the management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment.

(c) Acquisition of Payload and Linker Business

Goodwill amounting to RMB215,193,000 arose from the Group's acquisition of Payload and Linker Business during the year ended December 31, 2021.

For the purposes of impairment testing, Payload and Linker Business is allocated as an individual cash-generating unit (the "**Payload and Linker Unit**"). The recoverable amount of the Payload and Linker Unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 16% (2024: 17%). Pre-tax discount rate applied reflects the current market assessment of the time value of money and the risks specific to the Payload and Linker Unit. The expected annual growth rate up to the financial year of 2030 ranges from 10% to 30% (2024: 10% to 40%). The cash flows beyond the 5-year period are extrapolated using a steady long-term growth rate of 2% (2024: 2%). Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows, including revenue growth rate, is based on the Payload and Linker Unit's past performance and management's expectation for the market development.

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17. GOODWILL (Continued)

(c) Acquisition of Payload and Linker Business (Continued)

As the recoverable amount is significantly above the carrying amount of the Payload and Linker Business, the management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment.

18. INVESTMENT OF AN ASSOCIATE MEASURED AT FVTPL

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Country of registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			2025	2024	2025	2024	
Shanghai Duoning Biotechnology Co., Ltd. ("Duoning")	PRC	PRC	19.75%	17.36%	16.67%	20%	Sales of serum-free media and disposable products, formulation production and services

As at December 31, 2025, the Group had increased its equity interest in Duoning from 17.36% to 19.75% by way of acquisition of shares at cash consideration of RMB60,000,000, with dilution impact on voting rights following the change in number of board seat. The Group's significant influence through its representation on the board of directors remain unchanged.

Details of the fair value measurement of the investment of an associate measured at FVTPL are set out in Note 39(c).

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19. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is a summary of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	500,888	444,318
Deferred tax liabilities	(139,020)	(97,306)
	361,868	347,012

The following are the major deferred tax assets and liabilities recognized and movements thereon before offsetting during the reporting periods:

	Deferred income RMB'000	Allowance on inventories and credit losses RMB'000	Accelerated expenses RMB'000	tax depreciation RMB'000	Lease liabilities RMB'000	Right-of-use assets RMB'000	Fair value adjustment arising from acquisition of subsidiaries RMB'000	Derivative of financial instruments RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024	28,982	151,189	20,013	(978)	654,889	(613,031)	(50,419)	(16,440)	34,362	(95,324)	113,243
Credited (charged) to profit or loss	12,409	13,479	9,425	491	(47,348)	63,570	22,821	—	378,411	(229,426)	223,832
Charged to OCI	—	—	—	—	—	—	—	16,440	—	—	16,440
Exchange alignment	—	—	—	—	—	—	—	—	—	(6,503)	(6,503)
As at December 31, 2024	41,391	164,668	29,438	(487)	607,541	(549,461)	(27,598)	—	412,773	(331,253)	347,012
(Charged) credited to profit or loss	(4,644)	31,618	8,467	337	(96,708)	117,633	4,576	—	(12,259)	(52,159)	(3,139)
Exchange alignment	—	—	—	—	—	—	—	—	35,730	(17,735)	17,995
As at December 31, 2025	36,747	196,286	37,905	(150)	510,833	(431,828)	(23,022)	—	436,244	(401,147)	361,868

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19. DEFERRED TAXATION (Continued)

As at December 31, 2025, the Group had unused tax losses of RMB7,108,266,000 (2024: RMB5,547,988,000) available to offset against future profits. A deferred tax asset has been recognized in respect of such losses amounting to RMB2,908,296,000 (2024: RMB2,751,813,000). No deferred tax asset has been recognized in respect of the remaining balance of RMB4,199,970,000 (2024: RMB2,796,175,000), due to the unpredictability of future profit streams.

As at December 31, 2025, the unrecognized tax losses include a total balance of RMB3,814,671,000 (December 31, 2024: RMB2,507,941,000), representing tax losses from subsidiaries in overseas jurisdictions, can be carried forward indefinitely. The remaining unrecognized tax losses will be carried forward and expire in the following years:

	2025 RMB'000	2024 RMB'000
2025	—	378
2026	—	—
2027	15,278	15,278
2028	85,183	90,072
2029	168,401	182,506
2030	116,437	—
	<u>385,299</u>	<u>288,234</u>

As at December 31, 2025, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB26,800,911,000 (December 31, 2024: RMB23,879,165,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

20. INTANGIBLE ASSETS

	Technology RMB'000 (note i)	Customer relationship RMB'000 (note i)	Patent and license RMB'000 (note ii)	Self- developed software RMB'000	Total RMB'000
Cost					
As at January 1, 2024	81,885	309,217	353,492	—	744,594
Exchange alignment	—	—	(14,526)	—	(14,526)
As at December 31, 2024	81,885	309,217	338,966	—	730,068
Additions	—	—	27,000	36,004	63,004
Disposal	—	—	(10,000)	—	(10,000)
Exchange alignment	—	—	30,915	—	30,915
As at December 31, 2025	81,885	309,217	386,881	36,004	813,987
Amortization					
As at January 1, 2024	(26,303)	(108,488)	(97,969)	—	(232,760)
Charge for the year	(6,754)	(33,653)	(19,016)	—	(59,423)
Exchange alignment	—	—	4,484	—	4,484
As at December 31, 2024	(33,057)	(142,141)	(112,501)	—	(287,699)
Charge for the year	(6,754)	(26,543)	(20,484)	—	(53,781)
Disposal	—	—	5,333	—	5,333
Exchange alignment	—	—	(10,643)	—	(10,643)
As at December 31, 2025	(39,811)	(168,684)	(138,295)	—	(346,790)
Carrying Values					
As at December 31, 2024	48,828	167,076	226,465	—	442,369
As at December 31, 2025	42,074	140,533	248,586	36,004	467,197

Notes:

- The technology and customer relationship were recognized following the acquisitions of subsidiaries and business in years 2019 and 2021, respectively. These amounts represented the intellectual property and existing customer relationships, both of which have finite useful life. They are amortized on a straight-line basis over their estimated useful lives of 11 to 16 years and 5 to 10 years, respectively.
- Patent and license payments are amortized on a straight-line basis over the estimated useful life of 5 years and 18 years. These amortization periods reflect the average duration of the economic benefits derived from the patent and license, as determined by the Group's management based on their understanding of the technology and market conditions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



21. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Current asset		
Wealth management products (<i>note</i>)	931,982	523,593
Non-current assets		
Listed equity securities	1,243,233	181,742
Unlisted equity investments	807,807	951,523
Financial assets at FVTPL	2,051,040	1,133,265

Note: During the year ended December 31, 2025, the Group entered into multiple wealth management product contracts with banks, all of which have maturity terms of less than 12 months. The returns of these products are linked to the performance of the underlying instruments in the currency market, interbank market, bond market, security and equity market, and the derivative financial assets. As a result, they are recognized as financial assets at FVTPL. As at December 31, 2025, the expected annual return rates range from 1.7% to 8.25% (December 31, 2024: 0.85% to 8.00%).

Details of the fair value measurement of the financial assets at FVTPL are set out in Note 39(c).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

22. FINANCE LEASE RECEIVABLES

The Group entered into finance lease arrangements as a lessor for certain staff living quarters to eligible employees and a plant subleased to an independent third party. The average terms of finance leases entered into usually range from 5 to 10 years. The eligible employees for the staff living quarters have the option to purchase the properties by the end of the lease term. The implicit interest rate of these leases range from 1.5% to 4.9% as determined at the contract date over the lease terms.

	Minimum lease payments December 31, 2025 RMB'000	Present value of minimum lease payments December 31, 2025 RMB'000	Minimum lease payments December 31, 2024 RMB'000	Present value of minimum lease payments December 31, 2024 RMB'000
Finance lease receivables comprise:				
Within one year	11,458	8,398	16,436	11,027
Within a period of more than one year but not exceeding two years	11,807	8,862	17,464	12,499
Within a period of more than two years but not exceeding five years	31,745	24,951	49,069	37,030
Within a period of more than five years	20,929	16,952	44,826	36,136
	<u>75,939</u>	<u>59,163</u>	<u>127,795</u>	<u>96,692</u>
Less: unearned finance income	(16,776)	N/A	(31,103)	N/A
Present value of minimum lease payment receivables	<u>59,163</u>	<u>59,163</u>	<u>96,692</u>	<u>96,692</u>
Analyzed as:				
Current		8,398		11,027
Non-current		<u>50,765</u>		<u>85,665</u>
		<u>59,163</u>		<u>96,692</u>

Except for the finance lease receivables related to the plant, finance lease receivables are secured by the associated staff living quarters. The Group is not permitted to sell or pledge the collateral in the absence of default by the lessees.

Details of impairment assessment are set out in Note 39(b).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



23. OTHER LONG-TERM DEPOSITS AND PREPAYMENTS

Other long-term deposits mainly represent rental deposits paid for certain lease arrangements of office premises.

Prepayments represent expenditures paid in advance, which will be amortized over periods longer than one year.

24. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials and consumables	1,344,178	1,490,333
Work in progress	22,127	15,410
Finished goods	14,952	15,926
Total	<u>1,381,257</u>	<u>1,521,669</u>

Raw materials and consumables are net of a write-down of approximately RMB216,683,000 as at December 31, 2025 (2024: RMB186,004,000).

25. CONTRACT COSTS

	2025 RMB'000	2024 RMB'000
Costs to fulfil contracts	<u>2,010,157</u>	<u>1,492,931</u>

The contract costs are net of a write-down of approximately RMB116,817,000 as at December 31, 2025 (2024: RMB86,834,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

26. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables from contracts with customers		
— related parties	22,244	6,209
Less: allowance for credit losses	(1,029)	(588)
— third parties	8,760,385	6,478,606
Less: allowance for credit losses	(1,135,050)	(968,787)
	<u>7,646,550</u>	<u>5,515,440</u>
Bills receivables from contracts with customers	<u>35,109</u>	<u>16,163</u>
Advances to suppliers		
— related parties	1,933	3,895
— third parties	<u>56,934</u>	<u>33,486</u>
	<u>58,867</u>	<u>37,381</u>
Other receivables (<i>note</i>)	313,392	63,278
Prepayments	52,420	46,005
Value added tax recoverable	745,883	562,480
Dividend receivable	<u>571</u>	<u>—</u>
	<u>1,112,266</u>	<u>671,763</u>
Total trade and other receivables	<u><u>8,852,792</u></u>	<u><u>6,240,747</u></u>

Note: As at December 31, 2025, other receivables included an amount of RMB12,970,000 (December 31, 2024: RMB2,987,000), representing the receivable from bank in connection with the settled derivative financial instruments, and a consideration of USD30,000,000 (equivalent to RMB210,864,000) relating to the Vaccines Ireland Transaction, with further details set out in Note 29.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



26. TRADE AND OTHER RECEIVABLES (Continued)

As at January 1, 2024, trade receivables from contracts with customers amounted to RMB5,653,630,000 (net of allowance for credit loss of RMB756,639,000).

Details of the trade and other receivables due from related parties are set out in Note 43(b).

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

	2025 RMB'000	2024 RMB'000
Not past due	5,086,050	3,778,576
Overdue:		
— Within 90 days	1,466,967	837,570
— 91 days to 1 year	771,304	459,092
— Over 1 year	322,229	440,202
	<u>7,646,550</u>	<u>5,515,440</u>

As at December 31, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,560,500,000 (2024: RMB1,736,864,000) which are past due as at the reporting date. Out of the past due balances, RMB1,093,533,000 (2024: RMB899,294,000) has been past due 90 days or more and is not considered as in default as the management of the Group believed that the amounts will be settled by the customers, based on the customers' committed promise and historical experience. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables, other receivables and bills receivable are set out in Note 39(b).

Trade and other receivables that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	2025 RMB'000	2024 RMB'000
United States Dollar ("US\$")	5,484,499	3,992,650
HK\$	4,153	2,656
SGD	1,780	465
CHF	1,104	1
EUR	<u>635</u>	<u>488</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

27. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets		
— related parties	—	7,250
Less: allowance for credit losses	—	(211)
— third parties	151,766	222,894
Less: allowance for credit losses	(42,270)	(38,006)
	<u>109,496</u>	<u>191,927</u>

As at January 1, 2024, carrying amount of contract assets amounted to RMB499,669,000 (net of allowance for credit losses of RMB27,280,000).

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

Typical payment terms in CRDMO contracts under FFS basis impact the amount of contract assets recognized. These contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached and control of goods are transferred to customers.

The Group classifies these contract assets as current because the Group expects to realize these contract assets in their normal operating cycle.

Details of the impairment assessment of contract assets are set out in Note 39(b).

Notes to the Consolidated Financial Statements

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

As at December 31, 2025, bank balances and cash of the Group comprised of cash and short-term bank deposits with an original maturity of three months or less. The short-term bank deposits are carried interests at market rates ranging from 0% to 4.04% (2024: 0% to 4.50%) per annum.

As at December 31, 2025, time deposits are carried fixed interest rates ranging from 2.60% to 4.63% (2024: 2.60% to 5.76%) per annum and have an original maturity of over three months.

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

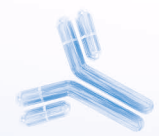
Bank balances and cash, pledged bank deposits and time deposits that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	2025 RMB'000	2024 RMB'000
US\$	11,228,755	6,663,533
EUR	86,410	25,756
HK\$	892,755	193,757



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



29. DISPOSAL GROUP HELD FOR SALE

In January 2025, the Company and WuXi Vaccines Ireland Limited ("**Vaccines Ireland**"), an indirect wholly-owned subsidiary of the Company, entered into a formal agreement with MSD International GmbH ("**MSD International**"), an independent third party, for the disposal of all properties and assets related to the facility in Vaccines Ireland ("**Vaccines Ireland Transaction**") at a consideration of USD437,000,000 (equivalent to RMB3,140,981,000). Consequently, total assets, including property, plant and equipment, right-of-use assets and inventories, amounting to RMB3,377,140,000, were classified as assets held for sales as at December 31, 2024. The transaction was completed on March 31, 2025.

Amongst the above total consideration, an amount of USD30,000,000 (equivalent to RMB210,864,000), which is subject to adjustment for any warranty claims that may be made by MSD International, will be received by the Company by the end of the warranty coverage period in October 1, 2026. This consideration has been recognized under other receivables.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



30. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables		
— related parties	130,428	119,156
— third parties	961,111	627,991
	<u>1,091,539</u>	<u>747,147</u>
Other payables and accrual		
— related parties	19,372	7,998
— third parties (<i>note</i>)	512,257	873,186
	<u>531,629</u>	<u>881,184</u>
Payable for purchase of property, plant and equipment	502,471	321,506
Consideration payables for acquisition of subsidiaries	2,968	2,968
Salary and bonus payables	1,047,484	752,705
Other taxes payable	111,327	72,685
Trade and other payables	<u>3,287,418</u>	<u>2,778,195</u>

Note: As at December 31, 2025, other payables included an amount of RMB35,303,000 related to disposal of shares options exercised and restricted shares vested on behalf of employees (2024: RMB18,441,000).

Details of the trade and other payables due to related parties are set out in Note 43(b).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

30. TRADE AND OTHER PAYABLES (Continued)

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

	2025 RMB'000	2024 RMB'000
Within three months	1,066,077	695,662
Over three months but within one year	21,223	49,366
Over one year but within five years	4,239	2,119
	<u>1,091,539</u>	<u>747,147</u>

Trade and other payables that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	2025 RMB'000	2024 RMB'000
SGD	154,636	3,889
US\$	82,552	127,310
HK\$	33,155	14,190
CHF	4,503	151
EUR	3,442	47,551
GBP	354	2,158

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



31. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Contract liabilities — third parties	<u>2,787,538</u>	<u>2,498,542</u>
Less: amounts shown under current liabilities	<u>(2,787,538)</u>	<u>(2,355,772)</u>
Amounts shown under non-current liabilities (note)	<u>—</u>	<u>142,770</u>

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

As at January 1, 2024, contract liabilities amounted to RMB3,800,978,000.

Revenue of RMB1,897,100,000, that was included in the contract liabilities at the beginning of the year, was recognized during the year ended December 31, 2025 (2024: RMB2,854,573,000).

Typical payment terms which impact on the amount of contract liabilities recognized are as follows:

— Revenue from CRDMO contracts under FFS basis

The Group typically requires certain customers to pay a percentage of total contract value as a down payment for project start-up cost as part of its credit risk management policies. The advance payment is accounted for as contract liabilities, representing the Group's obligation to provide services to the customer in the future.

— Revenue from others

The Group generally invoices its clients a percentage of total price upon order acceptance to initiate work, which will give rise to contract liability at the start of a contract.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32. DERIVATIVE FINANCIAL LIABILITIES

	Liabilities	
	December 31, 2025 RMB'000	December 31, 2024 RMB'000
<i>Derivatives not under hedge accounting</i>		
Foreign exchange option contracts	188	—
<i>Derivatives under hedge accounting</i>		
Cash flow hedges		
— European vanilla option contracts	—	39,547
Net investment hedge in foreign operations		
— Foreign currency forward and forward extra contracts	—	181,073
Total	188	220,620

Derivatives not under hedge accounting

During the current year, the Group entered into capped forward contracts, foreign exchange forward and foreign exchange option contracts with banks to manage its currency risk. Under these contracts, the Group will pay to the bank a notional amount of HK\$ and receive from the bank an amount in US\$, pay to the bank a notional amount of RMB and receive from the bank an amount in US\$ and pay to the bank a notional amount of US\$ and receive from the bank an amount in RMB. The Group will receive an equivalent amount to the product of the relevant notional amount and the relevant rate as specified within the respective contracts. The balance is RMB188,000 as at December 31, 2025.

The Group did not elect to adopt hedge accounting for these contracts. A loss of RMB5,468,000 (2024: RMB2,583,000 gains) from capped forward contracts, foreign exchange forward and foreign exchange option contracts were recognized as "loss on derivative financial instruments" in other gains and losses during the year ended December 31, 2025.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



32. DERIVATIVE FINANCIAL LIABILITIES (Continued)

Derivatives under hedge accounting

During the current year, gain or loss relating to the ineffective hedge portion is nil (2024: RMB54,973,000 loss) which is recognized immediately in profit or loss, and is included as "loss on derivative financial instruments" in other gains and losses.

Additionally, during the current year, the total amount of losses previously recognized in comprehensive income and accumulated in equity of RMB78,185,000 (2024: credit RMB25,685,000) are reclassified to revenue when the hedged item impacted profit or loss.

33. BORROWINGS

	2025 RMB'000	2024 RMB'000
Secured bank loans	39,100	48,300
Unsecured bank loans	1,003,798	2,587,900
	<u>1,042,898</u>	<u>2,636,200</u>
The carrying amounts of the above borrowings are repayable:		
Within one year	873,517	2,435,302
Within a period of more than one year but not exceeding two years	31,517	31,517
Within a period of more than two years but not exceeding five years	87,651	94,551
Within a period of more than five years	<u>50,213</u>	<u>74,830</u>
	<u>1,042,898</u>	<u>2,636,200</u>
Less: amounts due within one year shown under current liabilities	<u>(873,517)</u>	<u>(2,435,302)</u>
Amounts shown under non-current liabilities	<u>169,381</u>	<u>200,898</u>

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

33. BORROWINGS (Continued)

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

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	741,100	506,300
Variable-rate borrowings	301,798	2,129,900
	<u>1,042,898</u>	<u>2,636,200</u>

As at December 31, 2025, the Group's variable-rate borrowings carry interest at 5-years Loan Prime Rate ("LPR") minus 0.9%, and 1-year LPR minus 0.89% to 0.90%.

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

	2025	2024
Effective interest rate:		
Fixed-rate borrowings	1.36% to 3.85%	1.36% to 3.85%
Variable-rate borrowings	2.10% to 5.70%	2.40% to 6.45%

The Group's bank borrowings that are denominated in currencies other than the functional currencies of the respective group entities are set out below:

	2025 RMB'000	2024 RMB'000
US\$	—	1,358,608

As at December 31, 2025, the Group's property, plant and equipment with carrying amounts of RMB16,653,000 (December 31, 2024: RMB16,930,000) were secured as collaterals for the Group's borrowings.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



34. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	381,952	183,704
Within a period of more than one year but not exceeding two years	179,084	357,036
Within a period of more than two years but not exceeding five years	454,264	492,291
Within a period of more than five years	<u>1,045,868</u>	<u>1,270,618</u>
	2,061,168	2,303,649
Less: amounts due within one year shown under current liabilities	<u>(381,952)</u>	<u>(183,704)</u>
Amounts shown under non-current liabilities	<u><u>1,679,216</u></u>	<u><u>2,119,945</u></u>

As at December 31, 2025, the incremental borrowing rates applied to lease liabilities ranged from 1.5% to 8.5% (2024: from 1.5% to 8.5%).

35. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Assets related research and other grants	340,596	314,027
Income related research and other grants	<u>485</u>	<u>3,669</u>
	<u><u>341,081</u></u>	<u><u>317,696</u></u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

35. DEFERRED INCOME (Continued)

Movements of research and other grants:

	Assets related RMB'000	Income related RMB'000	Total RMB'000
As at January 1, 2024	254,366	3,651	258,017
Research and other grants received	88,498	210,716	299,214
Credited to profit or loss (Note 7)	(25,855)	(210,687)	(236,542)
Exchange alignment	(2,982)	(11)	(2,993)
As at December 31, 2024	314,027	3,669	317,696
Research and other grants received	54,430	166,457	220,887
Credited to profit or loss (Note 7)	(35,424)	(169,641)	(205,065)
Exchange alignment	7,563	—	7,563
As at December 31, 2025	340,596	485	341,081

During the year ended December 31, 2025, the Group received research and other grants of RMB54,430,000 (2024: RMB88,498,000) for the construction of its laboratory equipment. The asset related grants were recognized in profit or loss over the useful lives of the relevant assets.

36. PROVISIONS

	2025 RMB'000	2024 RMB'000
Analyzed for reporting purposes as:		
Non-current liabilities	21,138	—
Current liabilities	185,656	—
	206,794	—

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36. PROVISIONS (Continued)

The details of the provisions are set out below:

- (i) A provision of RMB126,372,000 has been recognized for potential warranty claims related to the Vaccines Ireland Transaction, as described in Note 29. The coverage period extends through October 1, 2026, and therefore the amount has been classified as a current liability as at December 31, 2025; and
- (ii) A provision of RMB80,422,000 has been recognized for potential warranty claims arising from the disposal of Germany DP facility to an independent third party, of which RMB21,138,000 relating to the coverage period extending through December 31, 2031 has been classified as a non-current liability and the remainder as a current liability as at December 31, 2025, based on the estimated claim settlement schedule.

These provisions represent management's best estimate, determined based on historical claim experience and the condition of the respective facilities at the time of disposal.

37. SHARE CAPITAL

AUTHORIZED:

	Number of shares	Par value US\$	Authorized share capital US\$
At January 1, 2024, December 31, 2024 and December 31, 2025	<u>6,000,000,000</u>	<u>1/120,000</u>	<u>50,000</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

37. SHARE CAPITAL (Continued)

ISSUED AND FULLY PAID:

	Number of shares	Amount US\$	Shown in the financial statements as RMB'000
As at January 1, 2024	4,257,500,616	35,480	235
Exercise of pre-IPO share options	8,718,389	73	1
Shares cancelled	(160,281,500)	(1,336)	(10)
As at December 31, 2024	4,105,937,505	34,217	226
Exercise of pre-IPO share options	111,361,008	928	7
Shares cancelled	(83,719,500)	(698)	(6)
As at December 31, 2025	4,133,579,013	34,447	227

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

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes borrowings and lease liabilities disclosed in Notes 33 and 34 respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and non-controlling interests.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the issue of new shares as well as the issue of new debts or the redemption of existing debts and shares.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortized cost	22,852,737	15,847,933
Financial assets at FVTPL	2,983,022	1,656,858
Financial liabilities		
Derivative financial liabilities	188	220,620
Financial liabilities at amortized cost	2,811,470	3,821,414

b. Financial risk management objectives and policies

The Group's major financial assets and liabilities include trade and other receivables, other long-term deposits, financial assets at FVTPL, time deposits, pledged bank deposits, bank balances and cash, derivative financial liabilities, borrowings, and trade and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and other price risk. There had been no change in the Group's exposure to these risks or the manner in which it managed and measured the risks during the year ended December 31, 2025.

Currency risk

Certain group entities have foreign currency transactions, including sales and purchases, which expose the Group to foreign currency risk. Certain of the Group's bank balances and cash, time deposits, pledged bank deposits, trade and other receivables, trade and other payables and borrowings are denominated in currencies other than the functional currency of the relevant group entities and expose to such foreign currency risk. The carrying amounts of relevant group entities' foreign currency denominated monetary assets and liabilities other than their functional currency are disclosed in the respective notes. The Group mainly exposes to foreign currency of US\$, EUR, HK\$ and SGD.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets (trade and other receivables, pledged bank deposits, time deposits and bank balances and cash) and liabilities (trade and other payables and borrowings) at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Assets		
US\$	16,713,254	10,656,183
HK\$	896,908	196,413
EUR	87,045	26,244
SGD	1,780	465
CHF	1,104	1
Liabilities		
SGD	154,636	3,889
US\$	82,552	1,485,918
HK\$	33,155	14,190
CHF	4,503	151
EUR	3,442	47,551
GBP	354	2,158

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against US\$, HK\$, SGD and EUR, the foreign currencies with which the Group may have a material exposure. No sensitivity analysis has been disclosed for the CHF and GBP denominated assets/liabilities as the impact on profit is immaterial. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A negative number below indicates a decrease in post-tax profit where RMB strengthens 5% against US\$, EUR and HK\$, while a positive number indicates an increase in post-tax profit where RMB strengthens 5% against SGD.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

	2025 RMB'000	2024 RMB'000
Impact on profit or loss sensitivity:		
US\$	(656,944)	(374,194)
HK\$	(34,120)	(7,436)
EUR	(3,302)	869
SGD	6,038	158

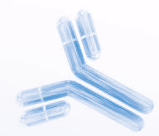
Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (see Note 33 for details), fixed-rate pledged bank deposits and fixed-rate time deposits (see Note 28 for details) and lease liabilities (see Note 34 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 28 for details) and variable-rate bank borrowings (see Note 33 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate on bank balances and LPR arising from the Group's bank borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for its floating-rate borrowings. The analysis is prepared assuming the floating rate borrowings outstanding at the end of the reporting period were outstanding for the whole year. 50 basis points (2024: 50 basis points) increase or decrease are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit would have decreased/increased approximately by RMB1,192,000 (2024: decrease/increase approximately by RMB8,691,000). This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings.

Bank balances are excluded from sensitivity analysis as the management of the Group considers that the exposure of cash flow interest rate arising from variable-rate bank balances is insignificant.

Other price risk

The Group is exposed to other price risk through its equity investments measured at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective financial assets at FVTPL had been 10% (2024:10%) higher/lower, the post-tax profit for the year ended December 31, 2025 would increase/decrease by RMB116,249,000 (2024: RMB636,000) as a result of the changes in fair value of listed and unlisted financial assets at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of the financial position.

In order to minimize credit risk, the Group has developed and maintained a credit risk grading system to categorize exposures based on counterparties default risk level. Management uses publicly available financial information and the Group's own historical repayment records to rate its major customers and other debtors. The Group continuously monitors its exposure and reviews counterparties credit ratings at the end of each reporting period to ensure that adequate impairment losses are recognized for each irrecoverable amount.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's current credit risk grading framework comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets/ finance lease receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

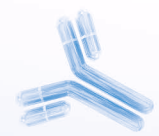
The tables below detail the credit risk exposures of the Group's financial assets, contract assets and finance lease receivables which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amount RMB'000	2024 Gross carrying amount RMB'000
Financial assets at amortized cost				
Time deposits (<i>note iv</i>)	Low risk	12m ECL	5,586,994	1,907,016
Pledged bank deposits (<i>note iv</i>)	Low risk	12m ECL	4,303	13,854
Bank balances (<i>note iv</i>)	Low risk	12m ECL	9,213,786	8,279,182
Other receivables (<i>note i</i>)	Low risk	12m ECL	313,392	63,278
Trade receivables	Low risk	Lifetime ECL (collective assessment)	6,237,874	4,198,201
	Doubtful	Lifetime ECL (collective assessment)	1,138,561	1,015,417
	Loss	Lifetime ECL (collective assessment)	944,052	513,976
	Doubtful	Lifetime ECL (individual assessment)	462,142	757,221
Bills receivables (<i>note ii</i>)	Low risk	12m ECL	35,109	16,163
Other long-term deposits (<i>note i</i>)	Low risk	12m ECL	52,033	53,008
Other items				
Contract assets	Low risk	Lifetime ECL (collective assessment)	59,735	102,862
	Doubtful	Lifetime ECL (collective assessment)	36,429	73,457
	Loss	Lifetime ECL (collective assessment)	36,566	30,134
	Doubtful	Lifetime ECL (individual assessment)	19,036	23,691
Finance lease receivables (<i>note iii</i>)	Low risk	Lifetime ECL (collective assessment)	59,163	96,692



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

- i. For other receivables and other long-term deposits, the Group's management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended December 31, 2025 and 2024, the Group assessed the ECL for other receivables and other long-term deposits, no loss allowance of was recognized.
- ii. For bills receivable issued by banks, the Group assessed impairment loss individually and concluded that the probability of defaults of the counterparty banks are insignificant. Accordingly, no allowance for credit losses is provided.
- iii. For finance lease receivables, no allowance for credit losses is provided as the finance lease receivables are secured by the related staff living quarters, the probability of defaults by the employees are insignificant.
- iv. The credit risk on time deposits, pledged bank deposits and bank balances is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies. The Group assessed the loss allowance to be insignificant and no provision is provided.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets

The Group performs impairment assessment on trade receivables and contract assets using ECL model. Trade receivables and contract assets with special conditions but not credit-impaired are assessed individually. For the remaining trade receivables and contract assets, the Group applies a collective assessment by grouping the debtors into three types: grade A customers, grade B customers and grade C customers based on the shared credit risk characteristics.

The Group determines internal credit ratings and provision rates for each group. The provision rates are based on the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. The Group's management regularly reviews the grouping to ensure relevant information about specific debtors is updated. The contract assets under the same type of contracts have substantially the same risk characteristics as the corresponding trade receivables. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

As at December 31, 2025, impairment allowances of RMB993,649,000 and RMB37,894,000 (2024: RMB559,762,000 and RMB32,165,000) were recognized for trade receivables and contract assets, respectively, based on collective assessment. Impairment allowances of RMB142,430,000 (2024: RMB409,613,000) were assessed individually on trade receivables with gross carrying amounts of RMB462,142,000 (2024: RMB757,221,000). In addition, impairment allowances of RMB4,376,000 (2024: RMB6,052,000) were individually assessed on contract assets with gross carrying amounts of RMB19,036,000 (2024: RMB23,691,000).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets (Continued)

The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on collective basis within lifetime ECL as at December 31, 2025:

Gross carrying amount	2025			2024		
Internal credit rating	Average loss rate	Trade receivables RMB'000	Contract assets RMB'000	Average loss rate	Trade receivables RMB'000	Contract assets RMB'000
Grade A: Low risk and watch list	0.10%	6,237,874	59,735	0.12%	4,198,201	102,862
Grade B: Doubtful	3.78%	1,138,561	36,429	3.92%	1,015,417	73,457
Grade C: Loss	100.00%	944,052	36,566	100.00%	513,976	30,134
		<u>8,320,487</u>	<u>132,730</u>		<u>5,727,594</u>	<u>206,453</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets (Continued)

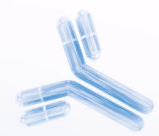
The following table shows the movement in lifetime ECL that has been recognized for trade receivables and contract assets under the simplified approach.

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1, 2024	(573,707)	(210,212)	(783,919)
Changes due to financial instruments recognized as at January 1, 2024:			
— Transfer to credit-impaired	123,215	(123,215)	—
— Impairment losses reversed (recognized)	118,129	(153,676)	(35,547)
— Recoveries of previously written off	—	(27,910)	(27,910)
— Impairment losses write-off	—	4,314	4,314
— Reclassification from receivables for purchase of raw materials on behalf of customers	(41,450)	(10,317)	(51,767)
New financial assets originated or purchased	(93,138)	(23,094)	(116,232)
Exchange alignment	3,469	—	3,469
As at December 31, 2024	(463,482)	(544,110)	(1,007,592)
Changes due to financial instruments recognized as at January 1, 2025:			
— Transfer to credit-impaired	287,091	(287,091)	—
— Impairment losses reversed (recognized)	74,556	(133,331)	(58,775)
— Impairment losses write-off	—	39,060	39,060
New financial assets originated or purchased	(91,412)	(55,146)	(146,558)
Exchange alignment	(4,484)	—	(4,484)
As at December 31, 2025	(197,731)	(980,618)	(1,178,349)



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

For the purposes of impairment assessment, other financial assets including time deposits, pledged bank deposits, bank balances, bill receivables, other receivables and other long-term deposits are considered to have low credit risk. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12m ECL. In determining the ECL for these financial assets at amortized cost, the directors of the Company have taken into account the historical default experience and the future prospects of the industries and/or considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the other financial assets at amortized cost occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The management of the Group considered that the 12m ECL allowance is insignificant at the end of each annual period.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash and unused banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The management of the Group monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Bank borrowing is one of the sources of liquidity of the Group. As at December 31, 2025, the Group has available unutilized bank loan facilities of approximately RMB5,905,962,000 (2024: RMB1,350,446,000).

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instrument. The table has been drawn up based on the undiscounted cash flows of financial liabilities according to the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management consider that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Range of interest rate	On demand or less than one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
2025						
Trade and other payables	N/A	1,768,572	—	—	1,768,572	1,768,572
Bank borrowings						
— fixed rate	1.36% to 3.85%	727,186	32,379	—	759,565	741,100
— variable rate	2.10% to 5.70%	169,635	100,717	51,569	321,921	301,798
Total financial liabilities		2,665,393	133,096	51,569	2,850,058	2,811,470
Lease liabilities	1.5% to 8.5%	415,191	832,018	1,249,743	2,496,952	2,061,168
		<u>3,080,584</u>	<u>965,114</u>	<u>1,301,312</u>	<u>5,347,010</u>	<u>4,872,638</u>
Derivative — net settlement						
Foreign exchange option contracts		188	—	—	188	188

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Range of interest rate	On demand or less than one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
2024						
Trade and other payables	N/A	1,185,214	—	—	1,185,214	1,185,214
Bank borrowings						
— fixed rate	1.36% to 3.85%	479,178	40,696	2,389	522,263	506,300
— variable rate	2.40% to 6.45%	2,070,138	104,923	74,742	2,249,803	2,129,900
Total financial liabilities		3,734,530	145,619	77,131	3,957,280	3,821,414
Lease liabilities	1.5% to 8.5%	232,466	1,085,959	1,523,915	2,842,340	2,303,649
		<u>3,966,996</u>	<u>1,231,578</u>	<u>1,601,046</u>	<u>6,799,620</u>	<u>6,125,063</u>
Derivative — net settlement						
European vanilla option, foreign currency forward and forward extra contracts		220,620	—	—	220,620	220,620
		<u>220,620</u>	<u>—</u>	<u>—</u>	<u>220,620</u>	<u>220,620</u>

c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company have set up a valuation team, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments under Level 3, the Group engages third party qualified valuers to perform the valuation. The valuation team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation team's findings to the directors of the Company every quarter to explain the cause of fluctuations in the fair value.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
	December 31, 2025	December 31, 2024			
Financial assets at FVTPL	Listed equity securities: RMB1,243,233,000	Listed equity securities: RMB181,742,000	Level 1	Active market quoted transaction price (note)	N/A
	Unlisted equity investments: RMB6,823,000	Unlisted equity investments: RMB6,978,000	Level 2	Recent transaction price	N/A
	Unlisted equity investments: RMB686,105,000	Unlisted equity investments: RMB535,160,000	Level 3	Back-solve from recent transaction price, option pricing model and/or adjusted net asset value method	Probability of qualified initial public offering ("IPO"), redemption and liquidation, risk-free rate and expected volatility
	Unlisted equity investments: RMB94,530,000	Unlisted equity investments: RMB371,051,000	Level 3	Comparable company method	Liquidity discount
	Unlisted equity investments: RMB20,349,000	Unlisted equity investments: RMB38,334,000	Level 3	Discounted cash flows method and option pricing model	Discount rate, probability of conversion, redemption and liquidation, risk-free rate and expected volatility
	Wealth management products: RMB931,982,000	Wealth management products: RMB523,593,000	Level 2	Discounted cash flows method, estimated based on expected return and market foreign exchange rate	N/A
Investment of an associate measured at FVTPL	Investment of an associate measured at FVTPL: RMB1,151,750,000	Investment of an associate measured at FVTPL: RMB1,266,560,000	Level 3	Discounted cash flows method and option pricing model	Discount rate, probability of conversion, redemption and liquidation, risk-free rate and expected volatility
European vanilla option contracts, foreign currency forward, forward extra and foreign exchange option contracts classified as derivative financial assets and liabilities	Derivative financial liabilities: RMB188,000	Derivative financial liabilities: RMB220,620,000	Level 2	Future cash flows are estimated based on forward exchange rates and contracted forward rates, discounted at a rate that reflects the credit risk of the banks.	N/A

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

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

Note: These equity investments were listed on the Stock Exchange or National Association of Securities Dealers Automated Quotations ("NASDAQ") market, which is an active market. Therefore, the fair value of such investments as at December 31, 2025 and December 31, 2024 was determined based on the market price and classified as Level 1 of the fair value hierarchy.

(ii) Reconciliation of Level 3 fair value measurements of financial assets

	Equity instruments at FVTOCI RMB'000 (note iii)	Financial assets at FVTPL RMB'000	Investment of an associate measured at FVTPL RMB'000
As at January 1, 2024	21,408	1,053,360	1,393,531
Total gains (losses)			
— in profit or loss	—	76,873	(133,136)
— in other comprehensive income	(21,486)	—	—
Purchases	—	82,216	—
Disposals	—	(231,410)	—
Transfer to Level 1 (note i)	—	(42,809)	—
Exchange alignment	78	6,315	6,165
As at December 31, 2024	—	944,545	1,266,560
Total gains (losses)			
— in profit or loss	—	204,070	(161,677)
— in other comprehensive income	—	—	—
Purchases	—	55,950	60,000
Transfer to Level 1 (note ii)	—	(399,962)	—
Exchange alignment	—	(3,619)	(13,133)
As at December 31, 2025	—	800,984	1,151,750

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



39. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 fair value measurements of financial assets (Continued)

Notes:

- (i) During the year ended December 31, 2024, one of the Group's unlisted equity investments became publicly listed on the NASDAQ market, with its shares traded in an active market. Therefore, the fair value hierarchy of such investment was transferred from Level 3 to Level 1.
- (ii) During the year ended December 31, 2025, one of the Group's equity investments has become a listed entity on the Stock Exchange, with its shares actively traded in the market. Accordingly, the fair value hierarchy of this investment was transferred from Level 3 to Level 1.
- (iii) During the year ended December 31, 2024, the fair value of equity instruments at FVTOCI held by the Group had been valued to nil as the investee is currently dormant in operation.

Of the total gains or losses recognized in profit or loss for the period, a gain of RMB204,070,000 (2024: a loss of RMB97,642,000) relates to financial assets designated as at FVTPL that were held at the end of the current reporting period. Fair value gains or losses on financial assets designated as at FVTPL are presented within 'other gains and losses'.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair value.

The fair values of these financial assets and financial liabilities at amortized cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

40. CAPITAL COMMITMENTS

The Group had capital commitments for land, equipment purchase and building construction, acquisition of investments accounted as financial assets at FVTPL, and interest in subsidiaries held by a non-controlling shareholder under non-cancellable contracts as follows:

	2025 RMB'000	2024 RMB'000
Contracted but not provided for		
— Land, property, plant and equipment	3,392,381	2,775,668
— Financial assets at FVTPL	541,437	356,724
— Interest in subsidiaries held by a non-controlling shareholder	—	72
	<u>3,933,818</u>	<u>3,132,464</u>

41. RETIREMENT BENEFIT PLANS

The employees of the Group's subsidiaries are members of the state-managed retirement benefits schemes operated by government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions.

The total cost charged to profit or loss in respect of the above-mentioned schemes amounted to approximately RMB479,701,000 for the year ended December 31, 2025 (2024: RMB460,568,000).

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For the year ended December 31, 2025



42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both the cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings RMB'000	Interest prepayments and payable RMB'000	Lease liabilities RMB'000	Total RMB'000
As at January 1, 2024	2,147,374	138	2,413,985	4,561,497
Financing cash flows	490,101	(117,799)	(262,949)	109,353
Interest expenses	—	120,078	82,812	202,890
New leases entered	—	—	102,002	102,002
Early termination of lease agreements	—	—	(9,438)	(9,438)
Exchange alignment	(1,275)	—	(22,763)	(24,038)
As at December 31, 2024	2,636,200	2,417	2,303,649	4,942,266
Financing cash flows	(1,629,335)	(78,906)	(230,499)	(1,938,740)
Interest expenses	—	77,481	80,660	158,141
New leases entered	—	—	160,410	160,410
Early termination of lease agreements	—	—	(305,456)	(305,456)
Exchange alignment	36,033	(176)	52,404	88,261
As at December 31, 2025	<u>1,042,898</u>	<u>816</u>	<u>2,061,168</u>	<u>3,104,882</u>

The financing cash flows of bank borrowings represent the proceeds from and repayment of bank borrowings in the consolidated statement of cash flows.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

43. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the balances disclosed in Notes 26, 27, 30 and 31, the Group had the following significant transactions and balances with related parties:

(a) Related party transactions

Provision of research and development service to related parties

	2025 RMB'000	2024 RMB'000
Shanghai SynTheAll Pharmaceutical Co., Ltd. ("STA")	8,118	6,884
Wuxi STA Pharmaceutical Co., Ltd. ("STA Wuxi")	1,992	—
Taixing SynTheAll Pharmaceutical Co., Ltd. ("STA Taixing")	1,853	—
Shanghai STA Pharmaceutical R&D Co., Ltd. ("STA R&D")	470	195
Wuxi Duoning Biotechnology Co., Ltd. ("Duoning Wuxi") (note i)	227	15
Changzhou STA Life Science Co., Ltd. ("STA L&S Changzhou")	16	—
Changzhou SynTheAll Pharmaceutical Co., Ltd. ("STA Changzhou")	—	1,323
Duoning (note ii)	—	666
WuXi AppTec (Shanghai) Co., Ltd. ("WXAT Shanghai")	—	237
WuXi AppTec (Chengdu) Co., Ltd. ("WACD")	—	50
WuXi AppTec (Suzhou) Co., Ltd. ("WASZ")	—	39
	<u>12,676</u>	<u>9,409</u>

Notes:

- i: Duoning Wuxi is a subsidiary of Duoning.
- ii: As disclosed in Note 18, Duoning is an investment of an associate measured at FVTPL of the Group.

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For the year ended December 31, 2025



43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Related party transactions (Continued)

Sales of materials to related parties

	2025 RMB'000	2024 RMB'000
Duoning	1,758	1,219
WuXi ATU Co., Ltd. ("WuXi ATU") (note i)	367	583
WuXi AppTec (Tianjin) Co., Ltd. ("WATJ")	22	109
STA Changzhou	—	85
	<u>2,147</u>	<u>1,996</u>

Sales of property, plant and equipment to related parties

	2025 RMB'000	2024 RMB'000
STA Changzhou	—	1,907
WXAT Shanghai	—	10
	<u>—</u>	<u>1,917</u>

Provision of other services to related parties

	2025 RMB'000	2024 RMB'000
Shanghai Lianghei Technology Co., Ltd. ("Lianghei") (note ii)	<u>55</u>	<u>16</u>

Notes:

- i: WuXi ATU was disposed of by WuXi AppTec Co., Ltd. in July 2025. The respective amount represented the transactions before it ceased to be a related party of the Group.
- ii: Lianghei is a subsidiary of Duoning.

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For the year ended December 31, 2025

43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Related party transactions (Continued)

Testing service received

	2025 RMB'000	2024 RMB'000
WASZ	53,613	39,427
STA R&D	53,105	72,107
WXAT Shanghai	41,421	17,709
WuXi ATU	3,839	1,537
Shanghai STA Pharmaceutical Product Co., Ltd. (" STA Product ")	2,589	1,696
Smile Technical Service (Shanghai) Co., Ltd. (" CMA Shanghai ") (note i)	681	637
WuXi Clinical Development Services (Shanghai) Co., Ltd. (" CDS ") (note ii)	638	290
WuXi AppTec (Nantong) Co., Ltd. (" WANT ")	369	1,269
Shanghai Biopro Industrial Development Co., Ltd. (" Shanghai Biopro ") (note i)	332	—
STA Changzhou	244	10,787
STA	55	7,214
Nanjing Mingjie Biomedical Testing Co., Ltd. (" NJ Mingjie ") (note iii)	50	134
Duoning	51	71
	156,987	152,878

Notes:

- i: CMA Shanghai and Shanghai Biopro are subsidiaries of Duoning.
- ii: CDS was disposed of by WXAT Shanghai in December 2025. The respective amount represented the transactions before it ceased to be a related party of the Group.
- iii: NJ Mingjie was disposed of by WXAT Shanghai in November 2025. The respective amount represented the transactions before it ceased to be a related party of the Group.

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43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Related party transactions (Continued)

Other services received

	2025 RMB'000	2024 RMB'000
WASZ	22,434	1,581
WXAT Shanghai	11,613	11,847
NJ Mingjie	878	29
STA Changzhou	667	1,201
Duoning	158	61
CMA Shanghai	140	105
WANT	57	—
STA Product	—	546
Chengdu Kangde Renze Real Estate Co., Ltd. ("Renze")	—	204
Shanghai Biopro	—	1
	35,947	15,575

Purchase of materials

	2025 RMB'000	2024 RMB'000
Duoning	128,278	88,829
STA Changzhou	31,554	3,504
Shanghai Biopro	18,173	5,213
WXAT Shanghai	5,367	1,419
Hong Kong Duoning Biotechnology Co., Ltd. ("Duoning HK") (note)	4,548	—
STA	4,468	19,862
STA Wuxi	2,526	—
Duoning Biotechnology Pte. Ltd. ("Duoning Singapore") (note)	51	—
CMA Shanghai	7	—
	194,972	118,827

Note: Duoning HK and Duoning Singapore are subsidiaries of Duoning.

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For the year ended December 31, 2025

43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Related party transactions (Continued)

Purchase of property, plant and equipment

	2025 RMB'000	2024 RMB'000
Duoning HK	13,440	—
Duoning	5,793	11,503
WXAT Shanghai	2,414	—
WuXi ATU (Shanghai) Limited ("Shanghai ATU")	1,592	—
Duoning Singapore	1,233	—
Antuos Nanotechnology (Suzhou) Co., Ltd. ("ATS") (note)	1,044	—
Shanghai Biopro	392	1,638
Renze	—	834
CMA Shanghai	—	75
	<u>25,908</u>	<u>14,050</u>

Interest expense on lease liabilities

	2025 RMB'000	2024 RMB'000
WXAT Shanghai	<u>99</u>	<u>154</u>

Expense relating to short-term leases

	2025 RMB'000	2024 RMB'000
STA Changzhou	<u>65</u>	<u>2,298</u>

The transactions above were carried out in accordance with the terms agreed with the counterparties.

Note: ATS is a subsidiary of Duoning.

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43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Related party balances

As at December 31, 2025 and 2024, the Group had balances with related parties as follows:

	2025 RMB'000	2024 RMB'000
Amounts due from related parties		
Trade related		
STA	9,384	3,331
Less: Allowance for credit losses	(115)	(38)
STA Changzhou	7,685	1,402
Less: Allowance for credit losses	(115)	(70)
Duoning	1,986	20
Less: Allowance for credit losses	(99)	(1)
STA Taixing	1,965	—
Less: Allowance for credit losses	(1)	—
WXAT Shanghai	613	824
Less: Allowance for credit losses	(613)	(466)
STA R&D	490	161
Less: Allowance for credit losses	(27)	(9)
Duoning Wuxi	50	—
Less: Allowance for credit losses	(2)	—
WASZ	42	42
Less: Allowance for credit losses	(42)	—
STA L&S Changzhou	14	—
Less: Allowance for credit losses	(14)	—
WACD	15	55
Less: Allowance for credit losses	(1)	—
WuXi ATU	—	371
Less: Allowance for credit losses	—	(4)
WATJ	—	3
	<u>21,215</u>	<u>5,621</u>
Non-trade related		
STA Changzhou	<u>—</u>	<u>1,910</u>

Notes to the Consolidated Financial Statements

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43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Related party balances (Continued)

	2025 RMB'000	2024 RMB'000
Contract assets		
STA Changzhou	—	7,250
Less: Allowance for credit losses	—	(211)
	<u>—</u>	<u>7,039</u>
	2025 RMB'000	2024 RMB'000
Advances to suppliers		
WASZ	1,616	2,501
WXAT Shanghai	317	—
WuXi ATU	—	1,360
CDS	—	34
	<u>1,933</u>	<u>3,895</u>

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43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Related party balances (Continued)

	2025 RMB'000	2024 RMB'000
Amounts due to related parties		
Trade related		
Duoning	30,702	26,380
WASZ	23,919	25,281
STA Changzhou	21,973	15,431
WXAT Shanghai	20,541	11,235
STA R&D	18,632	37,473
Shanghai Biopro	7,171	848
STA	4,510	1,202
STA Wuxi	1,392	—
Duoning HK	967	—
ATS	236	—
CMA Shanghai	168	148
STA Product	78	502
Duoning Singapore	50	—
WANT	89	624
NJ Mingjie	—	32
	130,428	119,156
Non-trade related		
Duoning HK	11,525	—
STA Changzhou	2,721	2,497
Duoning	2,675	4,874
WXAT Shanghai	1,255	—
Duoning Singapore	1,196	—
STA	—	300
Shanghai Biopro	—	327
	19,372	7,998

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43. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Related party balances (Continued)

	2025 RMB'000	2024 RMB'000
Lease liabilities		
WXAT Shanghai	<u>1,793</u>	<u>3,100</u>

Except for Duoning, Duoning Wuxi, Lianghei, Shanghai Biopro, Duoning HK, Duoning Singapore, ATS and CMA Shanghai of which the relationship with the Group have been disclosed separately as above, all of the other related parties mentioned above are considered as related parties of the Group throughout the entire reporting period, because they are ultimately controlled by Dr. Ge Li; Mr. Xiaozhong Liu and Mr. Zhaohui Zhang (collectively referred to as the **"Shareholders"**), who are all acting in concert and have significant influence in WuXi Biologics Holdings Limited (**"Biologics Holdings"**), the immediate and ultimate holding company of the Company.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the year was as follows:

	2025 RMB'000	2024 RMB'000
Director's fee	7,788	4,392
Salaries and other benefits	27,122	22,010
Performance-based bonus	15,190	5,777
Retirement benefits scheme contributions	113	109
Share-based compensation	<u>102,564</u>	<u>163,059</u>
	<u>152,777</u>	<u>195,347</u>

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

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44. SHARE-BASED COMPENSATION

(a) Pre-IPO Share Option Scheme

The Company's Pre-IPO Share Option Scheme was adopted pursuant to resolutions passed on January 5, 2016 for the primary purpose of attracting, retaining and motivating employees and directors. Under the Pre-IPO Share Option Scheme, the directors of the Company may grant up to 144,600,000 (before the effect of the Share Subdivision*) share options to eligible employees, including the directors of the Company and its subsidiaries, to subscribe for shares in the Company. Grantee accepting an option grant offered by the Company has to sign an acceptance letter and pay to the Company an amount of HK\$1.00 (before the effect of the Share Subdivision) as consideration for the grant.

Upon the Share Subdivision became effective, pro-rata adjustments were made to the exercise prices and the number of share options outstanding, so as to give the eligible employees the same proportion of the equity capital as that they were entitled to before the effect of the Share Subdivision.

Each option granted under the Pre-IPO Share Option Scheme can only be exercised in the following manners (each date on which any portion of option granted shall be vested is hereinafter referred to as a **"Vesting Date"** and each tranche on which any portion of option granted shall be vested is hereinafter referred to as a **"Tranche"**):

Tranche	Vesting Date
twenty percent (20%) of the shares subject to an option so granted	second (2nd) anniversary of the offer date for an Option
twenty percent (20%) of the shares subject to an option so granted	third (3rd) anniversary of the offer date for an Option
twenty percent (20%) of the shares subject to an option so granted	fourth (4th) anniversary of the offer date for an Option
forty percent (40%) of the shares subject to an option so granted	fifth (5th) anniversary of the offer date for an Option

* Pursuant to a shareholders' resolution passed at an extraordinary general meeting on November 12, 2020, the authorized and issued shares of the Company were subdivided on the basis that every one issued share is subdivided into three subdivided shares (the **"Share Subdivision"**). The Share Subdivision became effective on November 16, 2020.

Notes to the Consolidated Financial Statements

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44. SHARE-BASED COMPENSATION (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

Set out below are details of the movements of the outstanding options granted under the Pre-IPO Share Option Scheme during the years ended December 31, 2025 and 2024:

Option batch	Outstanding as at January 1, 2025	Granted	Exercised	Forfeited	Outstanding as at December 31, 2025
January 7, 2016	110,212,415	—	107,595,736	—	2,616,679
March 28, 2016	598,925	—	302,100	—	296,825
August 10, 2016	4,356,300	—	597,200	—	3,759,100
November 11, 2016	1,251,803	—	161,600	—	1,090,203
March 15, 2017	29,228,352	—	1,820,472	—	27,407,880
May 12, 2017	1,907,675	—	883,900	36,000	987,775
	<u>147,555,470</u>	<u>—</u>	<u>111,361,008</u>	<u>36,000</u>	<u>36,158,462</u>
Exercisable at the end of the year	<u>147,555,470</u>				<u>36,158,462</u>
Weighted average exercise price (US\$)	<u>0.21</u>	<u>—</u>	<u>0.17</u>	<u>0.60</u>	<u>0.32</u>

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44. SHARE-BASED COMPENSATION (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

Option batch	Outstanding as at January 1, 2024	Granted	Exercised	Forfeited	Outstanding as at December 31, 2024
January 7, 2016	114,304,758	—	4,092,343	—	110,212,415
March 28, 2016	744,825	—	145,900	—	598,925
August 10, 2016	5,500,350	—	1,144,050	—	4,356,300
November 11, 2016	1,524,803	—	273,000	—	1,251,803
March 15, 2017	31,351,448	—	2,123,096	—	29,228,352
May 12, 2017	2,847,675	—	940,000	—	1,907,675
	<u>156,273,859</u>	<u>—</u>	<u>8,718,389</u>	<u>—</u>	<u>147,555,470</u>
Exercisable at the end of the year	<u>156,273,859</u>				<u>147,555,470</u>
Weighted average exercise price (US\$)	<u>0.21</u>	<u>—</u>	<u>0.27</u>	<u>—</u>	<u>0.21</u>

The share options outstanding at December 31, 2025 had a weighted average remaining contractual life of 1.04 years (December 31, 2024: 1.3 years).

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44. SHARE-BASED COMPENSATION (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

The estimated fair value of the Pre-IPO share options at the date of grant were approximately US\$20,489,000, US\$555,000, US\$1,773,000, US\$2,227,000, US\$9,430,000 and US\$2,974,000 for the January 7, 2016, March 28, 2016, August 10, 2016, November 11, 2016, March 15, 2017 and May 12, 2017 option batch, respectively. The fair value was calculated using the Binomial model. The major inputs into the model are as follows:

Grant date	January 7, 2016	March 28, 2016	August 10, 2016	November 11, 2016	March 15, 2017	May 12, 2017
Share price (US\$) (note)	0.1600	0.1600	0.2167	0.2500	0.3167	0.5500
Exercise price (US\$) (note)	0.1667	0.1667	0.2200	0.2633	0.3400	0.6000
Expected volatility	40.80%	40.80%	40.92%	40.87%	40.65%	40.46%
Expected life (years)	10	10	10	10	10	10
Risk-free interest rate	2.92%	2.92%	2.72%	2.83%	3.39%	3.67%
Forfeiture rate	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%

Note: The share price and exercise price represent the prices after the effect of the Share Subdivision effected on November 16, 2020.

Share price is determined as the total fair value of the Company's equity divided by the total number of shares. To determine the grant date fair values of the Company's equity prior to the Company's Initial Public Offering on May 31, 2017, the Company used primarily the discounted cash flow method under the income approach, using cash flow projections based on financial forecasts approved by management covering a five-year period as appropriate and a discount rate of 13%. Cash flow beyond that five-year period has been extrapolated using a steady 5% growth rate. This growth rate does not exceed the long-term average growth rate for the market in which the Group operates. The result from the income approach was cross checked with the market approach, which incorporates certain assumptions, including the market performance of comparable listed companies, as well as the financial results and growth trends of the Group, to derive the total equity of the Group.

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44. SHARE-BASED COMPENSATION (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

The risk-free interest rate was based on market yield rate of China government bonds with the term corresponding to the contractual life of the options. Expected volatility was determined by using the historical volatility of the comparable companies. Changes in variables and assumptions may result in changes in the fair values of the share options.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

No expense was recognized for the year ended December 31, 2025 and 2024 as all the share options granted by the Company under the Pre-IPO Share Option Scheme had been fully vested in previous year.

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was HK\$31.66 (2024: HK\$15.33) after the effect of the Share Subdivision.

(b) Restricted Share Award Scheme

On January 15, 2018, the Company adopted the Restricted Share Award Scheme for the primary purpose of (i) recognize the contributions by certain employees of the Group and directors of the Company (the **"Selected Participants under Restricted Share Award Scheme"**); (ii) encourage, motivate and retain the Selected Participants under Restricted Share Award Scheme, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the Selected Participants under Restricted Share Award Scheme to achieve performance goals, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants under Restricted Share Award Scheme to the shareholders of the Company through ownership of Shares. The total number of the restricted shares underlying all grants made pursuant to the Restricted Share Award Scheme shall not exceed three percent of the total number of shares of the Company in issue (i.e. 127,452,353 shares after the effect of the Share Subdivision) as at June 27, 2023 (the date on which the proposed amendments to the Restricted Share Award Scheme were approved by the shareholders).

The Company will issue and allot to trustee new shares under the general mandate granted by the shareholders of the Company from time to time. The new shares so issued will be held on trust until the end of each vesting period and will be transferred to the Selected Participants under Restricted Share Award Scheme upon satisfaction of the relevant original vesting conditions.

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44. SHARE-BASED COMPENSATION (Continued)

(b) Restricted Share Award Scheme (Continued)

The fair value of the restricted shares awarded was determined based on the market value of the Company's shares at the grant date.

Upon the Share Subdivision became effective, pro-rata adjustments have been made to the number of outstanding restricted shares, so as to give the Selected Participants under Restricted Share Award Scheme the same proportion of the equity capital as that they were entitled to before the effect of the Share Subdivision.

Except for 11,400 (before the effect of the Share Subdivision) restricted shares granted on June 9, 2020, 12,335 (after the effect of the Share Subdivision) restricted shares granted on June 16, 2021 and 16,581(after the effect of the Share Subdivision) restricted shares granted on June 10, 2022 with vesting period of one year, and 56,018 (after the effect of the Share Subdivision) restricted shares granted on March 24, 2021 with forty percent of such restricted shares were vested during the year ended December 31, 2021, and twenty and forty percent of such restricted shares shall be vested in the following two years, respectively, and 50,933 (after the effect of the Share Subdivision) restricted shares granted on November 23, 2021 with different vesting schedule from 3 years to 5 years, each other restricted share granted under the Restricted Share Award Scheme can only be vested in the following manners (each date on which any portion of restricted share granted shall be vested is hereinafter referred to as a "**Vesting Date of Restricted Share Award Scheme**" and each tranche on which any portion of restricted share granted shall be vested is hereinafter referred to as a "**Batch under Restricted Share Award Scheme**"):

Batch under Restricted Share Award Scheme	Vesting Date of Restricted Share Award Scheme
twenty percent (20%) of the restricted shares so granted	second (2nd) anniversary of the grant date for an restricted share
twenty percent (20%) of the restricted shares so granted	third (3rd) anniversary of the grant date for an restricted share
twenty percent (20%) of the restricted shares so granted	fourth (4th) anniversary of the grant date for an restricted share
forty percent (40%) of the restricted shares so granted	fifth (5th) anniversary of the grant date for an restricted share

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44. SHARE-BASED COMPENSATION (Continued)

(b) Restricted Share Award Scheme (Continued)

Set out below are details of the movements of the outstanding restricted shares granted under the Restricted Share Award Scheme during the years ended December 31, 2025 and 2024:

Batch	Outstanding as at January 1, 2025	Granted	Vested	Forfeited	Cancelled (note i)	Outstanding as at December 31, 2025	Fair value per share at the date of grant (note ii)
March 27, 2020	1,238,966	—	1,225,790	13,176	—	—	HK\$33.333
June 9, 2020	624,861	—	609,771	15,090	—	—	HK\$41.900
August 18, 2020	442,137	—	406,356	33,312	2,469	—	HK\$58.600
November 12, 2020	1,873,023	—	1,755,010	81,946	36,067	—	HK\$77.133
March 24, 2021	1,914,798	—	630,973	116,914	49,788	1,117,123	HK\$87.950
June 16, 2021	794,764	—	264,920	—	—	529,844	HK\$116.900
June 17, 2021	5,162,702	—	1,650,300	304,134	147,485	3,060,783	HK\$120.800
August 24, 2021	1,852,630	—	586,803	118,826	41,762	1,105,239	HK\$121.700
November 23, 2021	1,381,776	—	677,913	80,312	11,774	611,777	HK\$101.300
March 23, 2022	10,924,517	—	2,514,851	891,155	155,756	7,362,755	HK\$65.300
June 10, 2022	5,836,927	—	1,436,756	208,914	78,201	4,113,056	HK\$69.000
August 18, 2022	1,031,724	—	235,057	95,319	7,936	693,412	HK\$71.700
November 28, 2022	4,971,528	—	1,157,555	254,114	88,235	3,471,624	HK\$47.350
August 24, 2023	12,964,482	—	2,461,235	1,195,011	72,036	9,236,200	HK\$44.600
November 21, 2023	2,709,560	—	510,024	183,565	4,098	2,011,873	HK\$48.550
March 27, 2024	18,024,407	—	—	1,021,857	104,880	16,897,670	HK\$13.760
June 18, 2024	312,349	—	—	—	—	312,349	HK\$11.680
March 26, 2025	—	25,520,857	—	1,128,878	32,848	24,359,131	HK\$26.200
June 5, 2025	—	64,117	—	64,117	—	—	HK\$24.900
	<u>72,061,151</u>	<u>25,584,974</u>	<u>16,123,314</u>	<u>5,806,640</u>	<u>833,335</u>	<u>74,882,836</u>	
Weighted average fair value per share (HK\$)	<u>53.78</u>	<u>26.20</u>	<u>69.53</u>	<u>47.86</u>	<u>68.91</u>	<u>41.25</u>	

The closing price of the Company's shares immediately before March 26, 2025 and June 5, 2025, the dates of granting restricted shares in 2025, was HK\$25.90 and HK\$25.20, respectively.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

44. SHARE-BASED COMPENSATION (Continued)

(b) Restricted Share Award Scheme (Continued)

Batch	Outstanding as at January 1, 2024	Granted	Vested	Forfeited	Cancelled (note i)	Outstanding as at December 31, 2024	Fair value per share at the date of grant (note ii)
March 19, 2019	55,170	—	55,170	—	—	—	HK\$27.783
June 5, 2019	4,068,867	—	3,988,869	79,998	—	—	HK\$23.900
August 20, 2019	1,307,844	—	1,273,323	23,628	10,893	—	HK\$27.667
November 20, 2019	387,072	—	339,033	48,039	—	—	HK\$29.800
March 27, 2020	2,084,093	—	687,913	137,048	20,166	1,238,966	HK\$33.333
June 9, 2020	976,131	—	323,623	27,647	—	624,861	HK\$41.900
August 18, 2020	809,428	—	244,152	120,178	2,961	442,137	HK\$58.600
November 12, 2020	3,064,790	—	949,088	203,459	39,220	1,873,023	HK\$77.133
March 24, 2021	2,870,517	—	709,793	198,343	47,583	1,914,798	HK\$87.950
June 16, 2021	1,059,684	—	264,920	—	—	794,764	HK\$116.900
June 17, 2021	8,035,593	—	1,951,886	827,838	93,167	5,162,702	HK\$120.800
August 24, 2021	2,737,196	—	652,145	220,328	12,093	1,852,630	HK\$121.700
November 23, 2021	2,296,997	—	714,139	179,305	21,777	1,381,776	HK\$101.300
March 23, 2022	15,254,338	—	2,873,256	1,286,513	170,052	10,924,517	HK\$65.300
June 10, 2022	8,006,821	—	1,577,833	581,021	11,040	5,836,927	HK\$69.000
August 18, 2022	1,562,686	—	291,276	239,686	—	1,031,724	HK\$71.700
November 28, 2022	6,722,098	—	1,258,957	452,401	39,212	4,971,528	HK\$47.350
August 24, 2023	14,810,242	—	—	1,616,351	229,409	12,964,482	HK\$44.600
November 21, 2023	2,954,394	—	—	226,240	18,594	2,709,560	HK\$48.550
March 27, 2024	—	19,372,191	—	1,208,209	139,575	18,024,407	HK\$13.760
June 18, 2024	—	434,227	—	121,878	—	312,349	HK\$11.680
	<u>79,063,961</u>	<u>19,806,418</u>	<u>18,155,376</u>	<u>7,798,110</u>	<u>855,742</u>	<u>72,061,151</u>	
Weighted average fair value per share (HK\$)	<u>66.23</u>	<u>13.71</u>	<u>61.91</u>	<u>58.82</u>	<u>58.51</u>	<u>53.78</u>	

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



44. SHARE-BASED COMPENSATION (Continued)

(b) Restricted Share Award Scheme (Continued)

Notes:

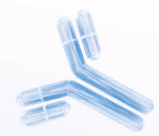
- i. Certain employees of the Group were offered, and agreed to join the Subsidiary Share Option Scheme and Subsidiary Restricted Share Award Scheme, i.e. the WuXi XDC Share Option Scheme, the WuXi XDC Restricted Share Award Scheme, or the WuXi Vaccines Share Option Scheme (as defined in Note 44(d)). Upon participating in these schemes, share options and restricted shares under the Subsidiary Share Option Scheme and Subsidiary Restricted Share Award Scheme were granted to the employees while the outstanding restricted shares granted under the Restricted Share Award Scheme held by the respective employees were cancelled in the same time accordingly. The directors of the Company considered that most of the cancelled restricted shares under the Restricted Share Award Scheme were replaced by the share options and restricted shares granted under the Subsidiary Share Option Scheme and Subsidiary Restricted Share Award Scheme, which was accounted for as a modification of the original equity instruments with no incremental fair value granted, therefore, such outstanding restricted shares would continue to be measured at the original grant-date fair value and the corresponding share-based compensation expense would be recognized in profit or loss over the original vesting periods. The remaining cancelled restricted shares were deemed to be accounted for as an acceleration of vesting, and the Group recognized immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.
- ii. The fair value per share at the date of grant represents the prices after the effect of the Share Subdivision effected on November 16, 2020.

The Group recognized total expense of approximately RMB675,226,000 for the year ended December 31, 2025 (2024: RMB907,753,000) in relation to restricted shares granted by the Company under the Restricted Share Award Scheme.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



44. SHARE-BASED COMPENSATION (Continued)

(c) Global Partner Program Share Scheme

On June 16, 2021, the Company adopted a global partner program share scheme to further reward and incentivize the Group's top employees and attract key talents (the "**Selected Participants under Global Partner Program Share Scheme**") to ensure the continuous business development and growth of the Company and to further align the interests of the top employees and the shareholders of the Company. The Selected Participants under Global Partner Program Share Scheme who have significant contributions to the Group's business development and growth will be granted restricted shares under the Global Partner Program Share Scheme. The number of restricted shares to be granted will be determined based on various performance-related considerations, such as the fulfilment by the respective Selected Participants under Global Partner Program Share Scheme of their individual performance targets as well as the overall business performance of the Group as a whole. The total number of the restricted shares underlying all grants made pursuant to the Global Partner Program Share Scheme shall not exceed three percent of the total number of shares of the Company in issue (i.e. 127,452,353 shares) as at June 27, 2023 (the date on which the proposed amendments to the Global Partner Program Share Scheme were approved by the shareholders).

The Company will issue and allot to trustee new shares under the general mandate granted by the shareholders of the Company from time to time. The new shares so issued will be held on trust until the end of each vesting period and will be transferred to the Selected Participants under Global Partner Program Share Scheme upon satisfaction of the relevant original vesting conditions.

The fair value of the restricted shares awarded was determined based on the market value of the Company's share at the grant date.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



44. SHARE-BASED COMPENSATION (Continued)

(c) Global Partner Program Share Scheme (Continued)

The restricted share granted under the Global Partner Program Scheme can only be vested in the following manners (each date on which any portion of restricted share granted shall be vested is hereinafter referred to as a **"Vesting Date of Global Partner Program Share Scheme"** and each batch on which any portion of restricted share granted shall be vested is hereinafter referred to as a **"Batch under Global Partner Program Share Scheme"**):

Batch under Global Partner Program Share Scheme	Vesting Date of Global Partner Program Share Scheme
fifty percent (50%) of the restricted shares so granted	first (1st) anniversary of the grant date for an restricted share
fifty percent (50%) of the restricted shares so granted	second (2nd) anniversary of the grant date for an restricted share

Besides, the restricted shares can only be vested when the share price is no less than HK\$97.80.

Set out below are details of the movements of the outstanding restricted shares granted under the Global Partner Program Share Scheme during the years ended December 31, 2025 and 2024:

Batch	Outstanding as at January 1, 2025	Granted	Vested	Forfeited	Cancelled	Outstanding as at December 31, 2025	Fair value per share at the date of grant
November 23, 2021	2,010,348	—	—	162,367	31,849	1,816,132	HK\$101.30
June 10, 2022	1,223,147	—	—	—	—	1,223,147	HK\$69.00
November 28, 2022	5,567,715	—	—	438,218	125,650	5,003,847	HK\$47.35
August 24, 2023	1,343,624	—	—	—	—	1,343,624	HK\$44.60
November 21, 2023	7,199,688	—	—	372,101	44,071	6,783,516	HK\$48.55
	<u>17,344,522</u>	<u>—</u>	<u>—</u>	<u>972,686</u>	<u>201,570</u>	<u>16,170,266</u>	
Weighted average fair value per share (HK\$)	<u>55.42</u>	<u>—</u>	<u>—</u>	<u>56.81</u>	<u>56.14</u>	<u>55.32</u>	

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

44. SHARE-BASED COMPENSATION (Continued)

(c) Global Partner Program Share Scheme (Continued)

Batch	Outstanding as at January 1, 2024	Granted	Vested	Forfeited	Cancelled	Outstanding as at December 31, 2024	Fair value per share at the date of grant
November 23, 2021	2,420,829	—	—	359,122	51,359	2,010,348	HK\$101.30
June 10, 2022	1,223,147	—	—	—	—	1,223,147	HK\$69.00
November 28, 2022	6,399,432	—	—	703,488	128,229	5,567,715	HK\$47.35
August 24, 2023	1,343,624	—	—	—	—	1,343,624	HK\$44.60
November 21, 2023	7,865,202	—	—	572,461	93,053	7,199,688	HK\$48.55
	<u>19,252,234</u>	<u>—</u>	<u>—</u>	<u>1,635,071</u>	<u>272,641</u>	<u>17,344,522</u>	
Weighted average fair value per share (HK\$)	<u>55.81</u>	<u>—</u>	<u>—</u>	<u>59.62</u>	<u>57.92</u>	<u>55.42</u>	

The Group recognized total expense of approximately RMB160,777,000 for the year ended December 31, 2025 (2024: RMB177,361,000) in relation to restricted shares granted by the Company under the Global Partner Program Share Scheme.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



44. SHARE-BASED COMPENSATION (Continued)

(d) Subsidiary Share Option Scheme and Subsidiary Restricted Share Award Scheme

WuXi XDC Share Option Schemes (as defined below)

WuXi XDC, a subsidiary of the Company, has adopted the 2021 pre-IPO share option scheme and 2023 pre-IPO share option scheme (collectively referred to as the **"WuXi XDC Share Option Schemes"**) on November 23, 2021 and March 22, 2023, respectively. The purpose of the WuXi XDC Share Option Schemes is to enable WuXi XDC to grant share options to eligible participants as incentives or rewards for their contribution to WuXi XDC and its subsidiaries (collectively referred to as the **"WuXi XDC Group"**) so as to enable the WuXi XDC Group to recruit and retain high-calibre employees and attract human resources that are valuable to the WuXi XDC Group.

As at December 31, 2025, total outstanding options of 103,446,423 shares, were conditionally granted on April 1, 2022, June 10, 2022, August 18, 2022, January 6, 2023, July 6, 2023, August 24, 2023, and October 30, 2023, respectively. The exercise price of these options granted were RMB1.658, RMB1.658, RMB1.850, RMB1.868, RMB4.500, RMB6.900, and RMB6.900 per share, respectively.

The Group recognized total expenses of approximately RMB62,351,000 for the year ended December 31, 2025 in relation to options granted under the WuXi XDC Share Option Schemes (2024: RMB81,633,000).

WuXi XDC Restricted Share Award Scheme (as defined below)

WuXi XDC, has adopted the restricted share award scheme (the **"WuXi XDC Restricted Share Award Scheme"**) on June 12, 2024. The purpose of the WuXi XDC Restricted Share Scheme is to enable WuXi XDC to grant restricted shares to eligible participants as incentives or rewards for their contribution to WuXi XDC Group.

During 2025, a total of 5,498,278 restricted shares were granted on April 14, 2025 and August 22, 2025 (2024: 4,786,948 shares). The closing price of WuXi XDC's shares immediately prior to the respective grant dates were HK\$33.65 and HK\$59.05 per share, respectively. As at December 31, 2025, a total of 10,047,623 restricted shares granted under the scheme remained unvested (2024: 4,636,111 shares).

For the year ended December 31, 2025, the Group recognized a total expense of approximately RMB60,838,000 in relation to restricted shares granted by WuXi XDC under the WuXi XDC Restricted Share Scheme (2024: RMB14,085,000).



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For the year ended December 31, 2025

44. SHARE-BASED COMPENSATION (Continued)

(d) Subsidiary Share Option Scheme and Subsidiary Restricted Share Award Scheme (Continued)

WuXi Vaccines Share Option Scheme (as defined below)

WuXi Vaccines (Cayman) Inc. ("**WuXi Vaccines**"), a subsidiary of the Company, has adopted the share option scheme (the "**WuXi Vaccines Share Option Scheme**") on November 23, 2021. The purpose of the WuXi Vaccines Share Option Scheme is to enable WuXi Vaccines to grant share options to eligible participants as incentives or rewards for their contribution to Wuxi Vaccines and its subsidiaries (collectively referred to as the "**WuXi Vaccines Group**") so as to enable the WuXi Vaccines Group to recruit and retain high-calibre employees and attract human resources that are valuable to the WuXi Vaccines Group.

As at December 31, 2025, total outstanding options of 60,750,762 shares were conditionally granted on May 16, 2022, June 10, 2022, July 30, 2025 and September 1, 2025. The exercise price of these options granted were US\$0.511, US\$0.511, US\$0.207 and US\$0.207 per share, respectively.

For the year ended December 31, 2025, the Group recognized a total expense of approximately RMB6,863,000 in relation to options granted under the WuXi Vaccines Share Option Scheme (2024: RMB28,160,000).

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For the year ended December 31, 2025



45. DETAILS OF PRINCIPLE SUBSIDIARIES

45.1 General information of subsidiaries

The direct and indirect interests in the following subsidiaries held by the Company during the years ended December 31, 2025 and 2024 are as follows:

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Directly held:						
WuXi Biologics Investments Limited ("Biologics Investments") (note ii)	Hong Kong November 18, 2010	Not applicable	RMB16,484,300,092	100	100	Investment holding
WuXi Biologics HealthCare Venture (Cayman) Inc. (note ii)	Cayman Islands April 10, 2018	US\$50,000	US\$50,000	100	100	Investment holding
WuXi Biologics HealthCare Venture Hong Kong Holding Limited (note ii)	Hong Kong April 25, 2018	Not applicable	—	100	100	Investment holding
WuXi Biologics Alliance Limited (note ii)	Hong Kong June 27, 2019	Not applicable	—	100	100	Investment holding
WuXi Vaccines (note ii) (Note 48)	Cayman Islands September 18, 2020	US\$50,000	—	100	100	Investment holding
WuXi XDC (note ii) (Note 48)	Cayman Islands December 14, 2020	US\$500,000	US\$62,762	50.63	50.95	Investment holding
Acellytron Therapeutics (Cayman) Inc. (note ii)	Cayman Islands August 9, 2023	US\$50,000	—	100	100	Investment holding
WuXi Biologics Capital Solutions Limited (note ii & iv)	Hong Kong January 28, 2025	Not applicable	—	100	N/A	Investment holding

Notes to the Consolidated Financial Statements

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45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Indirectly held:						
無錫藥明企業管理有限公司 (WuXi Biologics Holdings Co., Ltd.) ^(note ii)	The PRC August 14, 2014	RMB4,911,180,000	RMB4,911,180,000	100	100	Investment holding
無錫藥明生物技術股份有限公司 (WuXi Biologics Co., Ltd. ("WuXi Co.")) ^(note i)	The PRC May 25, 2010	RMB8,915,770,000	RMB8,915,770,000	100	100	Development of, and the provision of consultation services in relation to, the biopharmaceutical technology
WuXi Biologics (Hong Kong) Limited ^(note iii)	Hong Kong May 12, 2014	Not applicable	HK\$1	100	100	International sales contracting service
蘇州藥明檢測檢驗有限責任公司 (WuXi Biologics Biosafety Testing (Suzhou) Co., Ltd.) ^(note iii)	The PRC May 30, 2012	RMB42,860,000	RMB42,860,000	100	100	Testing and development of testing technologies
上海藥明生物技術有限公司 (WuXi Biologics (Shanghai) Co., Ltd. ("Shanghai Biologics")) ^(note iii)	The PRC January 6, 2015	RMB1,330,000,000	RMB1,330,000,000	100	100	Research and development in relation to biologics
WuXi Biologics Ireland Limited ("Biologics Ireland") ^(note ii)	Ireland March 8, 2018	EUR781,496,881	EUR781,496,881	100	100	Biologics discovery, development and manufacturing service
WuXi Biologics USA, LLC. ("USA Biologics") ^(note ii)	The United States of America April 21, 2016	US\$654,200,100	US\$490,200,100	100	100	Biologics clinical and manufacturing service, and sales and marketing services in US.
WuXi Biologics UK Ltd. ("UK Biologics") ^(note ii)	The United Kingdom December 2, 2016	Pound Sterling 1,000	Pound Sterling 1,000	100	100	Sales and marketing services in Europe

Notes to the Consolidated Financial Statements

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45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Indirectly held: (Continued)						
上海藥明生物醫藥有限公司 (WuXi Biologics (Shanghai FX) Co., Ltd.) ^(note i)	The PRC April 7, 2017	US\$63,000,000	US\$63,000,000	100	100	Production and sales of medicals, and provision of services in relation to the biopharmaceutical technology
成都藥明生物技術有限公司 (WuXi Biologics (Chengdu) Co., Ltd.) ^(note i)	The PRC December 4, 2017	US\$120,000,000	US\$66,318,000	100	100	Research and development in relation to biologics
上海藥明海德生物科技有限公司 (Shanghai Vaccines Co., Ltd.) ^(note i)	The PRC August 1, 2018	RMB500,000,000	RMB8,200,000	100	100	Biologics manufacturing service
無錫藥明合聯生物技術有限公司 (WuXi XDC Co., Ltd.) ^(notes ii)	The PRC March 13, 2018	US\$300,000,000	US\$240,000,000	50.63	50.95	Biologics discovery, development and manufacturing service
河北藥明生物技術有限公司 (WuXi Biologics (Hebei) Co., Ltd.) ^(note i)	The PRC June 19, 2018	US\$62,000,000	US\$62,000,000	100	100	Biologics discovery, development and manufacturing service
WuXi Biologics HealthCare Venture ^(note ii)	Hong Kong May 29, 2018	Not applicable	US\$140,419,078	100	100	Investment holding
杭州明德生物醫藥技術有限公司 (WuXi Biologics (Hangzhou) Co., Ltd.) ^(note i)	The PRC September 16, 2019	US\$110,000,000	US\$110,000,000	100	100	Biologics discovery, development and manufacturing service
WuXi Vaccines (Hong Kong) Limited ^(note ii)	Hong Kong May 24, 2019	Not applicable	US\$182,495,215	100	100	International sales contracting service

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45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Indirectly held: (Continued)						
Vaccines Ireland <i>(note ii)</i>	Ireland June 20, 2019	EUR20,428,585	EUR20,428,585	100	100	Vaccine CDMO and related business
博格隆(浙江)生物技术有限公司 (Bestchrom (Zhejiang) Biosciences Co., Ltd.) [†] <i>(note i)</i>	The PRC June 18, 2013	RMB240,000,000	RMB240,000,000	51.1	51.1	Biologics manufacturing service and material supplier
博格隆(上海)生物技术有限公司 (Bestchrom (Shanghai) Biosciences Co., Ltd.) [†] <i>(note i)</i>	The PRC July 1, 2008	US\$150,000	US\$150,000	51.1	50.1	Biologics manufacturing service and material supplier
WuXi Biologics Germany GmbH <i>(note ii)</i>	The Federal Republic of Germany December 20, 2019	EUR25,000	EUR240,064,271	100	100	Biologics manufacturing service
杭州明德生物新技術開發有限公司 (WuXi Biologics (Hangzhou FTZ) Co., Ltd.) [†] <i>(note i)</i>	The PRC April 30, 2020	US\$20,000,000	US\$20,000,000	100	100	Biologics discovery, development and manufacturing service
無錫博格隆生物技术有限公司 (WuXi Bestchrom Biosciences Co., Ltd.) [†] <i>(note v)</i>	The PRC September 15, 2020	RMB20,000,000	—	—	51.1	Biologics discovery, development and manufacturing service
北京藥明生物技术有限公司 (WuXi Biologics (Beijing) Co., Ltd. ("Beijing Biologics")) [†] <i>(note iii)</i>	The PRC September 18, 2020	RMB30,000,000	RMB5,000,000	100	100	Biologics discovery, development and manufacturing service
無錫元康投資管理有限公司 (WuXi Yuankang Investments Co., Ltd.) [†] <i>(note iii)</i>	The PRC November 10, 2020	RMB2,500,000,000	RMB235,020,000	100	100	Investment activity
無錫藥明海德生物技术有限公司 (WuXi Vaccines Co., Ltd.) [†] <i>(note i)</i>	The PRC March 8, 2021	RMB50,000,000	—	100	100	Biologics manufacturing service

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For the year ended December 31, 2025



45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Indirectly held: (Continued)						
WuXi XDC Hong Kong Limited <i>(note ii)</i>	Hong Kong June 7, 2021	Not applicable	—	50.63	50.95	International sales contracting service
CMAB Biopharma Limited <i>(note ii)</i>	British Virgin Islands June 15, 2017	US\$50,000	US\$62,669,975	100	100	Investment holding
CMAB Biopharma (HK) Limited <i>(note ii)</i>	Hong Kong December 1, 2016	Not applicable	HKD10,000	100	100	Investment holding
CMAB Biopharma (Switzerland) AG <i>(note ii)</i>	Switzerland March 26, 2018	CHF100,000	CHF100,000	100	100	Development, production and distribution of biotechnological products
蘇州藥明生物技術有限公司 (WuXi Biologics (Suzhou) Co., Ltd.) [†] <i>(note i)</i>	The PRC June 23, 2017	US\$69,364,416	US\$69,364,416	100	100	Biologics discovery, development and manufacturing service
浙江藥明生物醫藥有限公司 (WuXi Biologics (Zhejiang) Co., Ltd.) [†] <i>(note ii)</i>	The PRC November 2, 2015	US\$325,000,000	US\$325,000,000	100	100	Biologics discovery, development and manufacturing service
上海藥明合聯生物技術有限公司 (WuXi XDC (Shanghai) Co., Ltd.) [†] <i>(notes iii)</i>	The PRC March 31, 2021	RMB300,000,000	RMB300,000,000	50.63	50.95	Biologics discovery, development and manufacturing service
常州藥明合聯生物技術有限公司 (WuXi XDC (Changzhou) Co., Ltd.) [†] <i>(notes iii)</i>	The PRC July 2, 2021	RMB300,000,000	RMB300,000,000	50.63	50.95	Biologics discovery, development and manufacturing service

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Indirectly held: (Continued)						
合肥藥明合聯生物技術有限公司 (WuXi XDC (Hefei) Co., Ltd.) [†] (notes iii&iv)	The PRC June 23, 2025	RMB50,000,000	RMB36,000,000	50.63	N/A	Biologics discovery, development and manufacturing service
江陰藥明合聯生物技術有限公司 (WuXi XDC (Jiangyin) Co., Ltd.) [†] (notes iii&iv)	The PRC November 11, 2025	RMB215,000,000	—	50.63	N/A	Biologics discovery, development and manufacturing service
無錫藥明新創生物技術有限公司 (WuXi Biologics New Tech Co., Ltd.) [†] (note ii)	The PRC April 29, 2021	US\$100,000,000	US\$1,000,000	100	100	Biologics discovery, development and manufacturing service
無錫雅康實業投資有限公司 (WuXi Yakang Investments Co., Ltd.) [†] (note iii)	The PRC June 30, 2021	RMB300,000,000	—	100	100	Investment activity
無錫啓盛投資合夥企業(有限合夥) (WuXi Qisheng Investments Partnership (Limited Partnership)) [†] (note i)	The PRC June 30, 2021	RMB1,000,000,000	RMB430,000,000	100	100	Investment activity
上海藥明檢測有限公司 (WuXi Biologics Biosafety Testing (Shanghai) Co., Ltd.) [†] (note i)	The PRC July 22, 2021	RMB100,000,000	RMB100,000,000	100	100	Testing and development of testing technologies
無錫康澤投資管理有限公司 (WuXi Kangze Investments Management Co., Ltd.) [†] (note ii)	The PRC July 21, 2021	RMB400,000,000	—	100	100	Investment activity
無錫康悅投資合夥企業(有限合夥) (WuXi Kangyue Investments Partnership (Limited Partnership)) [†] (note i)	The PRC August 6, 2021	RMB500,500,000	RMB226,510,000	100	100	Investment activity

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation, date of incorporation	Authorized share capital/ Registered capital	Paid up capital	Attributable equity interests held by the Company as at December 31,		Principal activities
				2025 %	2024 %	
Indirectly held: (Continued)						
無錫啓源投資合夥企業(有限合夥) (WuXi Qiyuan Investments Partnership (Limited Partnership))* (note ii)	The PRC October 12, 2021	RMB1,000,000,000	RMB63,500,000	100	100	Investment activity
WuXi Biologics Biopharmaceuticals Singapore Private Limited (note ii)	Singapore December 30, 2021	US\$49,814,179	US\$127,437,615	100	100	Biologics manufacturing service
蘇州藥明海德生物科技有限公司 (Suzhou Vaccines Co., Ltd.)* (note ii)	The PRC October 20, 2022	RMB200,000,000	RMB200,000,000	100	100	Biologics manufacturing service
WuXi XDC Singapore Private Limited (note ii)	Singapore November 16, 2022	US\$257,600,000	US\$257,600,000	50.63	50.95	Biologics manufacturing service
WuXi Vaccines Singapore Private Limited (note ii)	Singapore November 16, 2022	US\$1,000,000	US\$1,000,000	100	100	Biologics manufacturing service
Acelytron Therapeutics (Hong Kong) Limited (note ii)	Hong Kong September 19, 2023	Not applicable	—	100	100	International sales contracting service
無錫艾斯力創生物技術有限公司 (Acelytron Therapeutics (Suzhou) Co., Ltd.)* (note iii)	The PRC November 7, 2023	RMB20,000,000	—	100	100	Research and development in relation to biologics
XDC ConjuTech Limited (note ii)	British Virgin Islands May 8, 2024	US\$1	US\$263,600,000	50.63	50.95	Investment holding
XDC ConjuTech USA LLC (note ii)	The United States May 22, 2024	US\$5,000,000	US\$5,000,000	50.63	50.95	Development, production and distribution of biotechnological products

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

45. DETAILS OF PRINCIPLE SUBSIDIARIES (Continued)

45.1 General information of subsidiaries (Continued)

English name is for identification purpose only.

Notes:

- This Company is a sino-foreign joint venture.
- This Company is a wholly-foreign owned enterprise.
- This Company is a wholly-domestic owned enterprise.
- This company is registered during the year ended December 31, 2025.
- This company is deregistered during the year ended December 31, 2025.

None of the subsidiaries had issued any debt securities at the end of the year.

45.2 Details of non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principle place of business	Proportion of ownership interest and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		December 31, 2025	December 31, 2024	2025 RMB'000	2024 RMB'000	December 31, 2025 RMB'000	December 31, 2024 RMB'000
WuXi XDC	Cayman Islands	49.37%	49.05%	731,903	531,406	5,295,996	3,256,669

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



46. FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current Assets		
Investments in subsidiaries	27,032,627	25,558,556
Other long-term deposits and prepayments	116	—
	<u>27,032,743</u>	<u>25,558,556</u>
Current Assets		
Other receivables and prepayments	24,775	15,170
Amounts due from subsidiaries	418,734	2,037,621
Financial assets at FVTPL	—	81
Bank balances and cash	730,122	256,664
	<u>1,173,631</u>	<u>2,309,536</u>
Current Liabilities		
Other payables	56,945	56,789
Amounts due to subsidiaries	4,847,940	3,832,000
Derivative financial liabilities	—	153,988
	<u>4,904,885</u>	<u>4,042,777</u>
Net Current Liabilities	<u>(3,731,254)</u>	<u>(1,733,241)</u>
Total Assets less Current Liabilities	<u>23,301,489</u>	<u>23,825,315</u>
Deferred tax liabilities	10,126	15,991
Non-current Liability	<u>10,126</u>	<u>15,991</u>
Net Assets	<u>23,291,363</u>	<u>23,809,324</u>
Capital and Reserves		
Share capital	227	226
Reserves	23,291,136	23,809,098
Total Equity attributable to the Owners of the Company	<u>23,291,363</u>	<u>23,809,324</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

47. RESERVES MOVEMENT OF THE COMPANY

The movement of the reserves of the Company are as follows:

	Treasury stock RMB'000	Share premium RMB'000	Equity-settled share-based compensation reserve RMB'000	Hedging reserve RMB'000	Retained earnings RMB'000	Total reserves RMB'000
As at January 1, 2024	(916,916)	22,610,386	2,762,548	(489,255)	1,070,331	25,037,094
Total comprehensive expense for the year	—	—	—	(218,452)	(344,476)	(562,928)
Issue of new shares, net of transaction costs	—	—	—	—	—	—
Exercise of equity- settled share-based compensation	—	2,158,929	(2,143,175)	—	—	15,754
Recognition of equity- settled share-based compensation	—	—	1,085,114	—	—	1,085,114
Repurchase of shares	(1,765,946)	—	—	—	—	(1,765,946)
Cancellation of treasury stock	2,682,862	(2,682,852)	—	—	—	10
As at December 31, 2024	—	22,086,463	1,704,487	(707,707)	725,855	23,809,098
Total comprehensive income (expense) for the year	—	—	—	175,575	(89,381)	86,194
Exercise of equity- settled share-based compensation	—	613,202	(476,274)	—	—	136,928
Recognition of equity- settled share-based compensation	—	—	836,003	—	—	836,003
Repurchase of shares	(1,576,550)	—	—	—	—	(1,576,550)
Cancellation of treasury stock	1,576,550	(1,577,087)	—	—	—	(537)
As at December 31, 2025	—	21,122,578	2,064,216	(532,132)	636,474	23,291,136

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



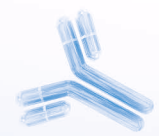
48. INVESTMENTS IN SUBSIDIARIES

	2025 RMB'000	2024 RMB'000
Listed shares, at cost WuXi XDC (<i>note ii</i>)	<u>2,333,324</u>	<u>1,036,560</u>
Unlisted shares, at cost		
Biologics Investments	16,484,300	16,484,300
WuXi Biologics HealthCare Venture (Cayman) Inc.	1,013,124	1,013,124
WuXi Vaccines (<i>note iii</i>)	<u>1,439,360</u>	<u>2,098,050</u>
Deemed capital contributions to (<i>note i</i>):		
WuXi Co.	2,675,024	2,324,040
Shanghai Biologics	1,412,216	1,232,001
USA Biologics	369,484	286,183
WuXi Biologics Biosafety Testing (Suzhou) Co., Ltd.	124,110	106,678
UK Biologics	35,805	30,394
Biologics Ireland	110,615	85,948
WuXi XDC Co., Ltd	30,779	27,462
WuXi Biologics (Hebei) Co., Ltd.	31,094	26,280
WuXi Biologics (Shanghai FX) Co., Ltd.	552,549	469,186
Wuxi Biologics (Chengdu) Co., Ltd.	15,145	11,483
Vaccines Ireland	20,219	17,900
WuXi Biologics Germany GmbH	78,986	64,362
Beijing Biologics	13,182	11,141
Shanghai Vaccines Co., Ltd.	11,421	9,745
WuXi Biologics (Hangzhou) Co., Ltd.	128,146	111,718
WuXi Biologics (Hangzhou FTZ) Co., Ltd.	16,380	12,435
WuXi XDC (Changzhou) Co., Ltd.	968	968
WuXi Biologics (Zhejiang) Co., Ltd.	39,091	28,491
WuXi XDC (Shanghai) Co., Ltd.	9,580	7,115
WuXi Biologics (Suzhou) Co., Ltd.	52,096	40,007
WuXi Biologics Biopharmaceuticals Singapore Private Limited	8,586	4,307
WuXi Biologics Biosafety Testing (Shanghai) Co., Ltd.	10,940	5,535
Suzhou Vaccines Co., Ltd.	12,715	10,951
WuXi Vaccines Singapore Private Limited	1,314	1,030
WuXi Biologics (Hong Kong) Limited	901	901
WuXi XDC Singapore Private Limited	427	12
XDC ConjuTech USA LLC	<u>746</u>	<u>249</u>
	<u>27,032,627</u>	<u>25,558,556</u>



Notes to the Consolidated Financial Statements

For the year ended December 31, 2025



48. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- i. The amounts represent the equity-settled share-based compensation in respect of the respective share options and restricted shares granted by the Company to certain employees of the specified subsidiaries for employees' services rendered to the respective subsidiaries under the Company's Pre-IPO Share Option Scheme, Restricted Share Award Scheme and Global Partner Program Share Scheme as disclosed in Note 44. Since the subsidiaries have no obligation to reimburse such expense, the amounts are treated as deemed capital contribution by the Company to the subsidiaries and included in the Company's cost of investments in subsidiaries.
- ii. During the year ended December 31, 2025, the Group subscribed 24,134,000 new shares of WuXi XDC at a total consideration of RMB1,296,764,000 under a specific mandate, and other public shareholders subscribed 22,277,000 new shares of WuXi XDC at a total consideration of RMB1,195,974,000 under a general mandate. During the year ended December 31, 2024, the Group acquired 11,350,500 listed shares of WuXi XDC through a block trade at a total consideration of RMB259,508,000.
- iii. On September 4, 2025, the board of directors of WuXi Vaccines approved the repurchase and cancellation of 999,999,999 shares held by the Company at a total consideration of US\$94,500,000. The repurchase and cancellation of shares were completed in 2025.

49. SUBSEQUENT EVENTS

Save as disclosed elsewhere in the consolidated financial statements, the Group has the following events taken place subsequent to December 31, 2025:

On February 12, 2026, WuXi XDC announced that WuXi XDC would make a voluntary conditional cash offer to acquire all the issued shares of BioDlink International Company Limited ("**BioDlink**") (other than those shares already owned or agreed to be acquired by the Company and the offeror concert parties) and to cancel all outstanding share options (the "**Offers**").

The Offers have become unconditional on March 17, 2026, in which WuXi XDC has received valid acceptances of the Offers being not less than 60% of the voting rights of BioDlink's shares, making the Offers officially effective. For further details, please refer to "Management Discussion and Analysis — Key Events After The Reporting Period" section in this annual report.



"2023 Payload-linkers Master Services Agreement"	the payload-linkers master services framework agreement entered into between WuXi XDC and WuXi AppTec on November 3, 2023, pursuant to which the XDC Group has engaged the WXAT Group to provide research and development and manufacturing services in relation to payload-linkers and supply the related intermediate products to the XDC Group for use in its ADC CRDMO services
"2026 Payload-linkers Master Services Agreement"	the payload-linkers master services framework agreement entered into between WuXi XDC and WuXi AppTec on September 2, 2025, pursuant to which the XDC Group has engaged the WXAT Group to provide research and development and manufacturing services in relation to payload-linkers and supply the related intermediate products to the XDC Group for use in its ADC CRDMO services
"ADC"	antibody-drug conjugate
"ADCC"	antibody-dependent cell-mediated cytotoxicity
"AGM"	the annual general meeting of the Company
"ANVISA"	the Brazilian Health Regulatory Agency
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Biologics Holdings"	WuXi Biologics Holdings Limited, a company incorporated under the laws of the British Virgin Islands on December 17, 2015 with limited liability. Our Directors Dr. Ge Li and Mr. Yanling Cao serve as directors of Biologics Holdings
"Biologics Ireland"	WuXi Biologics Ireland Limited, a company incorporated under the laws of the Ireland, a wholly-owned subsidiary of the Company
"BLA"	Biologics License Application
"Board" or "Board of Directors"	the board of Directors of the Company
"CDMO"	Contract Development and Manufacturing Organization



Definitions

"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"cGMP"	Current Good Manufacturing Practice Regulations
"Chairman"	the chairman of the Board
"China" or the "PRC"	the People's Republic of China excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region and Taiwan
"CMC"	Chemical Manufacturing and Control
"CMO"	Contract Manufacturing Organization
"Company"	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on February 27, 2014
"connected person"	has the meaning ascribed to it under the Listing Rules
"CRDMO"	Contract Research, Development and Manufacturing Organization
"CRO"	Contract Research Organization
"Director(s)"	the director(s) of the Company
"DNA"	a molecule that carries most of the genetic instructions used in the development, functioning and reproduction of all known living organisms and many viruses
"ESG"	environmental, social and governance
"EU"	a politico-economic union of 27 member states that are located primarily in Europe
"EU EMA"	European Medicines Agency
"EUR"	Europe currency
"Global Partner Program Share Scheme"	the share award scheme for global partner program adopted by the Company on June 16, 2021 and amended and restated on June 27, 2023
"GMP"	Good Manufacturing Practice

Definitions



"Group" or "we" or "our" or "us"	the Company and its subsidiaries
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKEX"	Hong Kong Exchange and Clearing Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug, an experimental drug for which a pharmaceutical company obtains permission to ship across jurisdictions (usually to clinical investigators) before a marketing application for the drug has been approved
"IPO"	the listing of the Shares on the Main Board of the Stock Exchange on June 13, 2017
"Irish HPRA"	Irish Health Products Regulatory Authority
"Life Science Holdings"	New WuXi Life Science Holdings Limited, a company incorporated under the laws of the Cayman Islands on July 2, 2015 with limited liability, which holds 100% issued share capital of Life Science Limited. Our Director Mr. Yanling Cao serves as a director of Life Science Holdings
"Life Science Limited"	New WuXi Life Science Limited, a company incorporated under the laws of the Cayman Islands on July 2, 2015 with limited liability, which holds 100% issued share capital of WuXi PharmaTech. Our Director Mr. Yanling Cao serves as a director of Life Science Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"MAA"	Marketing Authorisation Application
"Main Board"	Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules



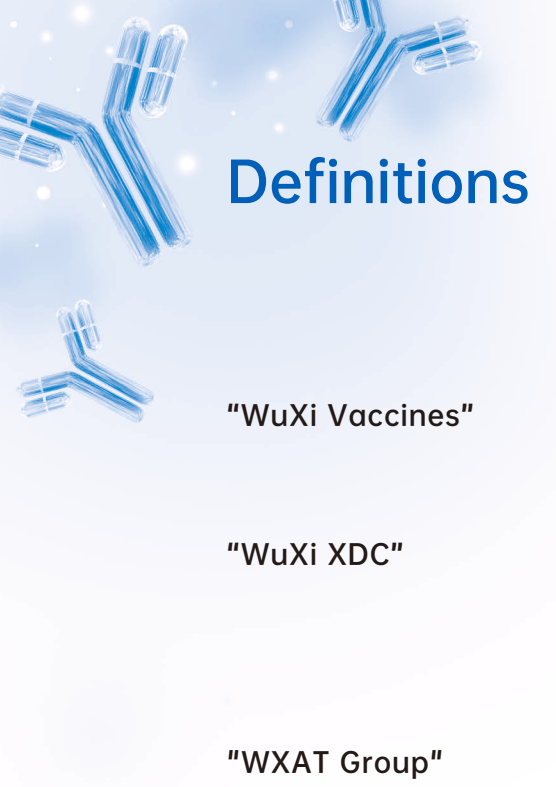
Definitions

"mRNA"	messenger ribonucleic acid
"Nomination Committee"	the nomination committee of the Board
"pDNA"	plasmid DNA
"PPQ"	process performance qualification
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme adopted by the Company on January 5, 2016, and amended on August 10, 2016, the principal terms of which are summarized in "Statutory and General Information — E. Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus
"Prospectus"	the prospectus issued by the Company dated May 31, 2017
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of the PRC
"Reporting Period"	the one-year period from January 1, 2025 to December 31, 2025
"Restricted Share Award Scheme"	the restricted share award scheme adopted by the Company on January 15, 2018 and amended and restated on June 27, 2023
"Scheme Mandate Limit"	254,904,706 Shares, being the maximum number of Shares which may be issued and allotted in respect of all restricted shares to be granted under the Restricted Share Award Scheme and the Global Partner Program Share Scheme and all share options and share awards to be granted under any other share option schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shareholder(s)"	holder(s) of Share(s)

Definitions



"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US\$1/120,000 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"TITCK"	Turkish Medicines and Medical Devices Agency
"U.K. MHRA"	Medicines and Healthcare products Regulatory Agency of United Kingdom
"U.S."	United States of America
"US\$" or "USD"	United States dollar(s), the lawful currency of the U.S.
"U.S. FDA"	The Food and Drug Administration of the U.S.
"Written Guidelines"	the Written Guidelines for Securities Transactions by Directors adopted by the Company
"WuXi AppTec"	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a company incorporated in the PRC on December 1, 2000 and the shares of which are listed on Shanghai Stock Exchange (stock code: 603259) and the Main Board of the Stock Exchange (stock code: 2359)
"WuXi Biologics Share Participation Scheme"	the share award scheme adopted by Biologics Ireland on March 21, 2025
"WuXi PharmaTech"	WuXi PharmaTech (Cayman) Inc., a company incorporated under the laws of the Cayman Islands on March 16, 2007 with limited liability. Its shares were listed on the New York Stock Exchange (stock code: WX), and were delisted from the New York Stock Exchange on December 10, 2015. Our Director Mr. Yanling Cao serves as a director of WuXi PharmaTech



Definitions

"WuXi Vaccines"

WuXi Vaccines (Cayman) Inc., a company incorporated under the laws of the Cayman Islands with limited liability, a wholly-owned subsidiary of the Company

"WuXi XDC"

WuXi XDC Cayman Inc. (藥明合聯生物技術有限公司*), a company incorporated under the laws of the Cayman Islands with limited liability, a non-wholly owned subsidiary of the Company and listed on the Main Board of the Stock Exchange (stock code: 2268)

"WXAT Group"

WuXi AppTec and its subsidiaries

"XDC Group"

WuXi XDC and its subsidiaries