



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

*In the name of Allah, The Most Gracious, The Most Merciful*

10 November 2023 | 26 Rajab 1445 AH

## **SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF WUXI XDC CAYMAN INC (2268)**

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: WuXi XDC Cayman Inc
- Stock Code: 2268
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2022

We have conducted a comprehensive Shariah Screening of WuXi XDC Cayman Inc. to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of WuXi XDC Cayman Inc (2268) is in compliance with **Shariah**.

Details of our assessment can be reviewed in **Appendix I**.

والله أعلم

Issued by,  
**Sharlife Sdn. Bhd.**

A handwritten signature in black ink, appearing to read 'Arham', is written over a horizontal line.

**Ustaz Arham Merican**  
**Shariah Officer**

**Business Activity Benchmark Assessment**

The contribution of Shariah non-compliant (SNC) activities to the Group revenue/profit before taxation of the company will be computed and compared against the relevant business activity benchmarks.

WuWi XDC Cayman Inc is a leading contract research, development and manufacturing organization focusing on the global antibody-drug conjugate and broader bioconjugate market dedicated to providing integrated and comprehensive services, covering bioconjugate discovery, research, development and manufacturing ranked no. 2 globally and no. 1 in China.

**Operating Revenue**

Segment	Segment Revenue (RMB in thousand)	SNC Revenue	% SNC	Classification	Results
Pre-IND* Services	381,071	0	0.00%	Bioconjugate discovery projects at the drug discovery stage and preclinical development stage	Passed
Post-IND Services	609,352	0	0.00%	Clinical and commercial stage projects	Passed
<b>TOTAL</b>	<b>990,423</b>	<b>0</b>	<b>0.00%</b>	<b>Bioconjugate Manufacturing</b>	<b>Passed</b>

\*IND - Investigational New Drug

**Non-Operating Revenue**

Segment	Segment Revenue (RMB in thousand)	SNC Revenue	% SNC	Classification	Results
Rental and other related income	3,831	0	0.0%	N/A	Passed
Sales of materials to related parties	1,930	0	0.0%	N/A	Passed
Interest income from banks	4,612	4,612	100.0%	Subject to 5% benchmark	Failed
Research and other grants related to income	15,779	0	0.0%	N/A	Passed
<b>TOTAL</b>	<b>26,152</b>	<b>4,612</b>	<b>17.6%</b>	<b>-</b>	<b>Failed</b>

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	4,612
Total SNC Revenue	4,612
Total Revenue (Gross)	1,016,575
% SNC Revenue	0.5%
<b>STATUS</b>	<b>PASSED</b>

### **Financial Ratio Benchmark Assessment**

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RMB in thousand)	Total Assets	% Ratio	Result
Bank balances and cash	334,972	2,496,379	29.5%	Within 33% limits
Derivative financial assets	799			
Financial assets at FVTPL	400,000			
<b>TOTAL</b>	<b>735,771</b>			<b>PASSED</b>

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB in thousand)	Total Assets	% Ratio	Result
Lease liabilities	6,040	2,496,379	3.2%	Within 33% limits
Derivative financial liabilities	2,147			
Loans from related parties	71,114			
<b>TOTAL</b>	<b>79,301</b>			<b>PASSED</b>

## IPO Shariah Status

Segment		Status
Business Activity Benchmark		<b>PASSED</b>
Financial Ratio Benchmark	Cash	<b>PASSED</b>
	Debt	<b>PASSED</b>
<b>Result</b>		<b>PASSED</b>

**Disclosure**

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.

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