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

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

**(1) PROPOSED ADOPTION OF
THE H SHARE AWARD AND TRUST SCHEME;
(2) CONNECTED TRANSACTION — PROPOSED GRANT OF
AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER
THE H SHARE AWARD AND TRUST SCHEME; AND
(3) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE
DELEGATEE TO HANDLE MATTERS PERTAINING TO
THE H SHARE AWARD AND TRUST SCHEME**

INTRODUCTION

The Board has resolved at a meeting of the Board held on July 21, 2020 to propose the adoption of the Scheme. The Scheme is still subject to the consideration and approval of the Shareholders which will be sought at the EGM.

The Scheme Limit shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK\$700 million. The Board or the Delegatee may grant Awards to Selected Participants during the Award Period conditional upon fulfilment of terms and conditions of the Awards and performance targets as the Board or the Delegatee determines from time to time.

**CONNECTED TRANSACTION – PROPOSED GRANT OF AWARDS TO
THE CONNECTED SELECTED PARTICIPANTS UNDER THE H SHARE
AWARD AND TRUST SCHEME**

The Company proposes to grant Awards in an aggregate value of HK\$41,923,641.00 to 12 Connected Selected Participants.

IMPLICATIONS UNDER THE LISTING RULES

The Scheme

The Scheme involves no issue of new shares or granting of option for any new securities of the Company. Thus, it does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules.

Connected Transaction

As each of the Connected Selected Participants as at the date of this announcement is either a director, supervisor or chief executive of the Company and/or its subsidiaries or their respective associate, each of the Connected Selected Participants is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the grant of Awards to the Connected Selected Participants will constitute a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has established an Independent Board Committee comprising all independent non-executive Directors (none of the independent non-executive Directors has material interests in the grant of Awards to the Connected Selected Participants) to provide its recommendation to the Independent Shareholders in respect of the grant of Awards to the Connected Selected Participants, and the Company has engaged Gram Capital (a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Five of the Connected Selected Participants, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang and Dr. Ning Zhao, being executive Directors, have declared their interests in the Scheme and abstained from voting on the relevant board resolutions in relation to the Scheme. Save for Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang and Dr. Ning Zhao, there is no other Director who is required to abstain from voting on the board resolutions in relation to the Scheme.

The Directors are of the view that the terms and conditions of the Scheme are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In respect of the grant of Awards to the Connected Selected Participants, the Directors, having considered the contribution of the Connected Selected Participants to the Company and the aforesaid goals, are of the view that the grant of Awards to the Connected Selected Participants is a transaction entered into on normal commercial terms, which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, the (i) the proposed adoption of the Scheme, (ii) the proposed grant of Awards to the Connected Selected Participants under the Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the Scheme.

The Connected Selected Participants and their respective associates shall abstain from voting on the resolutions regarding the proposed grant of Awards to the Connected Selected Participants and its related matters. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Ning Zhao, Mr. Minzhang Chen, Dr. Shuhui Chen, Ms. Wendy J. Hu and Ms. Cuiping Hu, none of the Shareholders is a Connected Selected Participant who will be required to abstain from voting on the resolutions regarding the proposed grant of Awards to Connected Selected Participants and its related matters.

A circular of the Company containing, among other things, (i) further details of the Scheme; (ii) further details of the proposed grant of Awards to the Connected Selected Grantees; (iii) a letter of recommendation from the Independent Financial Adviser; (iv) a letter of recommendation from the Independent Board Committee; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before July 31, 2020.

I. PROPOSED ADOPTION OF THE H SHARE AWARD AND TRUST SCHEME

The Board has resolved at a meeting of the Board held on July 21, 2020 to propose the adoption of the Scheme. The Scheme is still subject to the consideration and approval of the Shareholders which will be sought at the EGM. The principal terms of the Scheme are set out below.

Purposes of the Scheme

The purposes of the Scheme are:

- (i) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;
- (ii) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and

- (iii) to (a) recognize the contributions of the leadership of the Company including the Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company by aligning the interests of the leadership of the Company to that of the Shareholders and the Group as a whole.

The Directors are of the view that the individual performance indicators as conditions for the vesting of the Awards will serve to achieve the purpose stated above.

Duration

Subject to any early termination of the Scheme pursuant to the Scheme Rules, the Scheme shall be valid and effective for ten years commencing from the date on which the Scheme is approved by the Shareholders at the EGM (after which no further Awards will be granted), and thereafter for so long as there are non-vested Award Shares granted under the Scheme prior to the expiration of the Scheme, in order to give effect to the vesting of such Award Shares.

Source of Funds

The source of funds for funding the Scheme is the internal funds of the Company.

Source of Award Shares and acquisition of H Shares by the Trustee

The source of the Award Shares under the Scheme shall be H Shares to be acquired by the Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the Scheme Rules.

The Company shall as soon as reasonably practicable, and if applicable, once the requisite approval of the independent non-executive Directors and Independent Shareholders for the grant of Awards to any connected person has been obtained, for the purposes of satisfying the grant of Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price. The Trustee shall as soon as reasonably practicable thereafter proceed to acquire such number of H Shares as instructed by the Company on-market at the prevailing market price.

The Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

Scheme Limit

Subject to the Scheme Rules, the Scheme Limit shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK\$700 million. The Company proposed to set the Scheme Limit in terms of the total amount of funds that it will provide to the Trustee to acquire H Shares through on-market transactions in order to (i) regulate the costs of the Company in setting up the Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the Scheme.

For illustration purpose, based on the average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of this announcement of HK\$111.16 per H Share, the maximum number of H Shares that can be purchased for the purpose of the Scheme is 6,297,229 H Shares, accounting for approximately 2.64% of the Company's total number of issued H Shares and approximately 0.27% of the Company's total share capital as at the date of this announcement. The ultimate number of H Shares underlying the Scheme is therefore uncertain as it depends on the actual implementation of the acquisition of H Shares by the Trustee.

The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed the Scheme Limit without Shareholders' approval. The Scheme Limit shall not be subject to any refreshment.

The total number of non-vested Award Shares granted to a Selected Participant under the Scheme shall not exceed one per cent of the total number of issued H Shares of the Company from time to time.

Administration of the Scheme

The Scheme shall be subject to the administration of the following administrative bodies:

- (i) the general meeting of the Shareholders, as the institution vested with the supreme authority of the Company, is responsible for the consideration and approval of the adoption of the Scheme. The general meeting of the Shareholders may authorize the Board to deal with all matters related to the Scheme to the extent of its authority;
- (ii) the Board is the institution in charge of the administration of the Scheme in accordance with the Scheme Rules and where applicable, the Trust Deed. A decision of the Board or the Delegatee shall be final and binding on all persons affected. The Remuneration and Appraisal Committee shall be responsible for drafting and revising the Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Scheme, the Board will submit the Scheme to the general meeting of the Shareholders for consideration. The Board may handle all matters related to the Scheme within the authorization by the general meeting of the Shareholders;
- (iii) the independent non-executive Directors are the supervisory institution of the Scheme and shall express their views on whether the Scheme facilitates the sustainable development of the Company and whether the Scheme impairs the interests of the Company and the Shareholders as a whole. The independent non-executive Directors supervise whether the implementation of the Scheme complies with relevant laws, regulations, regulatory documents and the rules of the Stock Exchange, and is responsible for reviewing the list of the Selected Participants; and
- (iv) the Trust will be constituted to service the Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire H Shares through on-market transactions with funds in the amount of not more than HK\$700 million to be transferred by the Company to the Trust.

Pursuant to the Scheme Rules, the authority to administer the Scheme may be delegated by the Board to the Delegatee as deemed appropriate at the sole discretion of the Board. Upon the approval and adoption of the Scheme by the Shareholders at the EGM, the Board will delegate to the Management Committee the authority to administer the Scheme, including the power to grant an Award under the Scheme.

Selected Participants of the Scheme

Eligible Employee who may participate in the Scheme include any individual, being a Director, supervisor, senior management, mid-level manager, basic-level manager, backbone member of the technicians, other technician, who is a full-time PRC or non-PRC employee of any members of the Group.

The Board or the Delegatee may, from time to time, select any Eligible Employee to be a Selected Participant in accordance with the Scheme Rules. The Selected Participants are determined in accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws, regulations and regulatory documents and the relevant provisions of the Articles of Association, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Participant to the Group.

No one should be considered as a Selected Participant of the Scheme if he:

- (i) has been deemed as an inappropriate candidate for similar award schemes of share incentive plans of a listed company by any securities regulatory bodies with authority in the most recent 12 months;
- (ii) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the most recent 12 months; or
- (iii) is prohibited from acting as a director or member of the senior management of a company due to occurrence of circumstances as stipulated in the Company Law of the PRC.

Grant of Awards

The Board or the Delegatee may grant Awards to Selected Participants during the Award Period conditional upon fulfilment of terms and conditions of the Awards and performance targets as the Board or the Delegatee determines from time to time.

Each grant of an Award to any connected person of the Group shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award) and the Independent Shareholders (if applicable), unless otherwise exempted by the relevant listing rules, applicable securities laws, rules or regulations.

The Company shall issue an Award Letter to each Selected Participant specifying, among other things, the Grant Date, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the vesting criteria and conditions, and the Vesting Date.

No grant of any Award to any Selected Participants may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under certain circumstances including:

- (i) where such grant of Award would result in a breach of the Scheme Limit;
- (ii) after the expiry of the Award Period or after the earlier termination of the Scheme;
- (iii) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (iv) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (v) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

Vesting of the Awards

The Board or the Delegatee may determine the vesting criteria and conditions or periods for the Awards to be vested.

Vesting schedule

Unless otherwise specified in the Award Letter approved by the Board or the Delegatee, the Vesting Periods of the Awards granted under the Scheme are as follows:

- (A) For Awards to be granted to Selected Participants who are Eligible Employees as at the date on which the Scheme is approved by the Shareholders at the EGM:

	Vesting Periods	Proportion of Vesting
First Vesting Period	Within the year immediately following the first anniversary of the Grant Date	25%
Second Vesting Period	Within the year immediately following the second anniversary of the Grant Date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the Grant Date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the Grant Date	25%

- (B) For Awards to be granted to Selected Participants who (i) shall become Eligible Employees subsequent to the date on which the Scheme is approved by the Shareholders at the EGM; and (ii) shall have been given the entitlement to be granted Awards pursuant to the relevant offer letters to be issued by the Company in connection with their employment:

	Vesting Periods	Proportion of Vesting
First Vesting Period	Within the year immediately following the first anniversary of the Grant Date	0%
Second Vesting Period	Within the year immediately following the second anniversary of the Grant Date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the Grant Date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the Grant Date	50%

The Vesting Periods of the Awards granted under any subsequent grant of the Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board or the Delegatee in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.

Vesting Conditions

Vesting of the Awards granted under the Scheme is subject to conditions of the individual performance indicators of the Selected Participants, and any other applicable vesting conditions as set out in the Award Letter.

The individual performance indicators of the Selected Participants are as follows:

According to the applicable performance management rules to be adopted by the Company, the Board or the Delegatee shall carry out annual comprehensive appraisal on the Selected Participants and determine the actual vesting amount of the Awards granted under the Scheme accordingly. The actual vesting amount of the Award granted to a Selected Participant for the respective Vesting Periods shall be equal to the standard coefficient \times the planned vesting amount for the respective Vesting Periods. The coefficient for individual performance appraisal results of grade B (or its equivalent appraisal result such as “meet expectations”) or above is 100% whereas the coefficient for individual performance appraisal results below grade B is 0.

If the Selected Participant fails to fulfil the individual performance indicators above, all the Award Shares underlying the relevant Awards which may otherwise be vested during the respective Vesting Periods shall not be vested and shall be held by the Trustee as Returned Shares.

Interest in the Award Shares

Neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested).

A Selected Participant shall have no right to any dividend underlying the non-vested Award Shares or any of the Returned Shares or any dividend, right to any cash or non-cash income, distribution, sale proceeds of non-cash and non-scrip distributions underlying the Returned Shares, all of which shall be retained by the Trustee for the benefit of the Scheme.

Amendment or Termination of the Scheme

Amendment of the Scheme

Subject to the Scheme Limit, the Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect materially and adversely any subsisting rights of any Selected Participant unless otherwise provided for in these Scheme Rules, except (i) with the consent in writing of Selected Participants amounting to more than half of the nominal value of all Award Shares held by the Trustee on that date; or (ii) with the sanction of an ordinary resolution that is passed at a meeting of the Selected Participants amounting to more than half of the nominal value of all Award Shares held by the Trustee on that date.

Termination of the Scheme

The Scheme shall terminate on the earlier of (i) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Scheme.

II. CONNECTED TRANSACTION — PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE H SHARE AWARD AND TRUST SCHEME

The Company proposes to grant Awards in an aggregate value of HK\$41,923,641.00 to 12 Connected Selected Participants as follows:

Name of Connected Selected Participants	Position	Value of the Award	Number of Award Shares underlying the Award (for illustration purpose) (Note 1)	Approximate percentage to the total number of H Shares as at the date of this announcement	Approximate percentage to the total share capital of the Company as at the date of this announcement
Dr. Ge Li	Executive Director, chairman and chief executive officer	HK\$11,991,574.00	107,876 H Shares	0.0452%	0.0047%
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	HK\$5,995,787.00	53,938 H Shares	0.0226%	0.0023%
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	HK\$5,995,787.00	53,938 H Shares	0.0226%	0.0023%
Mr. Zhaohui Zhang	Executive Director, vice president	HK\$2,664,794.00	23,972 H Shares	0.0100%	0.0010%
Dr. Ning Zhao	Executive Director, vice president	HK\$2,664,794.00	23,972 H Shares	0.0100%	0.0010%
Mr. Ellis Bih-Hsin Chu	Chief financial officer	HK\$2,664,794.00	23,972 H Shares	0.0100%	0.0010%
Mr. Minzhang Chen	Vice president, director of a principal subsidiary of the Company	HK\$3,997,191.00	35,958 H Shares	0.0151%	0.0016%
Dr. Shuhui Chen	Vice president, director of a principal subsidiary of the Company	HK\$3,997,191.00	35,958 H Shares	0.0151%	0.0016%
Mr. Harry Liang He	Chairman of the Supervisory Committee	HK\$888,265.00	7,990 H Shares	0.0033%	0.0003%
Ms. Minfang Zhu	Employee representative Supervisor	HK\$296,088.00	2,663 H Shares	0.0011%	0.0001%
Ms. Wendy J. Hu*	Senior director of human resources	HK\$592,176.00	5,327 H Shares	0.0022%	0.0002%
Ms. Cuiping Hu	Supervisor of a principal subsidiary of the Company	HK\$175,200.00	1,576 H Shares	0.0007%	0.0001%
Total		HK\$41,923,641.00	377,140 H Shares	<u>0.1580%</u>	<u>0.0163%</u>

Note 1: Calculated for illustration purpose by the aggregate value of the Awards divided by the average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of this announcement of HK\$111.16.

* *Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.*

The actual number of Award Shares underlying the Award shall be fixed and further notified on the Grant Date based on the number of Award Shares that the Trustee will acquire through on-market transactions from time to time at prevailing market price and apportion to the corresponding value of the relevant Award based on the volume-weighted average price at which the Trustee will have acquired such Award Shares pursuant to the Scheme.

Five of the Connected Selected Participants, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang and Dr. Ning Zhao, being executive Directors, have declared their interests in the Scheme and abstained from voting on the relevant board resolutions in relation to the Scheme. Save for Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang and Dr. Ning Zhao, there is no other Director who is required to abstain from voting on the board resolutions in relation to the Scheme.

Further, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang and Dr. Ning Zhao, being Directors, shall not deal in any securities of the Company, including the Award Shares, for the black-out period as stipulated under Appendix 10 to the Listing Rules.

III. INFORMATION ON THE GROUP

The Group provides comprehensive and integrated research and manufacturing services throughout the discovery, development and manufacturing spectrum for small molecule drugs. The Group also provides development and manufacturing services for cell and gene therapies as well as testing services for medical devices.

IV. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE SCHEME AND THE GRANT OF AWARDS TO CONNECTED SELECTED PARTICIPANTS

Please refer the section headed “I. Proposed Adoption of the H Share Award and Trust Scheme — Purposes of the Scheme” in this announcement. The Directors are of the view that the adoption of the Scheme will realize the aforesaid goals, and that the terms and conditions of the Scheme are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of the grant of Awards to the Connected Selected Participants, the Directors, having considered the contribution of the Connected Selected Participants to the Company and the aforesaid goals, are of the view that the grant of Awards to the Connected Selected Participants is a transaction entered into on normal commercial terms, which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. IMPLICATIONS UNDER THE LISTING RULES

The Scheme

The Scheme involves no issue of new shares or granting of option for any new securities of the Company. Thus, it does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules.

Connected Transaction

As each of the Connected Selected Participants as at the date of this announcement is either a director, supervisor or chief executive of the Company and/or its subsidiaries or their respective associate, each of the Connected Selected Participants is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the grant of Awards to the Connected Selected Participants will constitute a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Company has established an Independent Board Committee comprising all independent non-executive Directors (none of the independent non-executive Directors has material interests in the grant of Awards to the Connected Selected Participants) to provide its recommendation to the Independent Shareholders in respect of the grant of Awards to the Connected Selected Participants, and the Company has engaged Gram Capital (a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

VI. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE H SHARE AWARD AND TRUST SCHEME

In order to ensure the successful implementation of the Scheme, the Board proposed that, subject to the approval of the Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board and/or the Delegatee to deal with matters in relation to the Scheme with full authority, including but not limited to:

- (i) to authorize the Board to determine the terms and conditions of the grant of Awards, approve the form and content of the Award Letter, select Eligible Employees to become Selected Participants, and grant Awards to Selected Participants from time to time;
- (ii) to authorize the Board to determine the Grant Date and Vesting Date of Award Shares;
- (iii) to authorize the Board to administer, amend and adjust the Scheme, including but not limited to adjusting the Scheme Limit, adjusting the number of outstanding Award Shares or accelerate the Vesting Dates of any Awards (if such amendments require the approval of the Shareholders' meeting and/or relevant regulatory authorities pursuant to the relevant laws, regulations or requirements of the relevant regulatory authorities, the Board shall obtain the corresponding authorization for such amendments);
- (iv) to authorize the Board to establish the Management Committee for the purpose of the Scheme;
- (v) to authorize the Board to decide on the selection, engagement and change of bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the Scheme;

- (vi) to authorize the Board to sign, execute, amend and terminate all agreements and other relevant documents in connection with the Scheme, fulfill all relevant procedures in relation to the Scheme, and adopt other methods to implement the terms of the Scheme;
- (vii) to authorize the Board to determine and adjust the standards and conditions of the vesting of the Awards as well as the Vesting Periods, evaluate and manage the performance indicators, and to determine whether Awards granted to the Selected Participants can be vested, and to delegate such authorization to the Management Committee;
- (viii) to authorize the Board to determine the execution, amendment and termination of the Scheme, including the forfeiture of Awards and continued vesting of Award Shares upon the changes in circumstances pertaining to the Selected Participants;
- (ix) to authorize the Board to construe and interpret the Scheme Rules and to resolve any issues and disputes arising from or in connection with the Scheme;
- (x) to authorize the Board to exercise any other authorizations in relation to matters necessary to the implementation of the Scheme granted by the Shareholders' meeting from time to time;
- (xi) to authorize the Board (i) to enter into the Trust Deed on behalf of the Company with the Trustee, pursuant to which the Trustee will provide trust services for the Scheme; (ii) to enter into the plan management agreement on behalf of the Company with Computershare Hong Kong Investor Services Limited, pursuant to which Computershare Hong Kong Investor Services Limited will provide plan management services in respect of the Scheme; and (iii) to set up a cash securities account under the name of the Company so as to facilitate the provision of trading services and trading platform for the Selected Participants of the Scheme by Computershare Hong Kong Investor Services Limited;
- (xii) to authorize the Board to, during the validity period of such authorization, delegate its authority to administer the Scheme to the Management Committee formed by individuals including the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman Mr. Edward Hu and the persons-in-charge of the human resources department, the finance department and the legal department, to individually handle all matters in relation to the Scheme with full authority, including but not limited to:
 - (a) matters in relation to the Scheme as set out in paragraphs (i) to (xi) above;

- (b) on behalf of the Company, execute all documents in relation to the operations of and other matters of the Scheme, or providing instructions to the Trustee in relation to its operations, the execution of relevant documents in relation to the setting up of the accounts, operations of the accounts, and the setting up and operations of the cash securities account with Computershare Hong Kong Investor Services Limited under the name of the Company, the release of Award Shares for the purpose of the vesting of the Awards, or the sale of Award Shares on-market at the prevailing market price and pay the proceeds arising from such sale to Selected Participants, or directing and procuring the Trustee to release the Award Shares to the Selected Participants by transferring the Award Shares to the Selected Participants as determined by them from time to time, and confirming, allowing and approving all matters precedent arising from or in relation to the Trust Deed and the plan management agreement; and

- (c) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board and/or the Delegatee shall be valid for the Award Period.

VII. EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, the (i) the proposed adoption of the Scheme, (ii) the proposed grant of Awards to the Connected Selected Participants under the Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the Scheme.

The Connected Selected Participants and their respective associates shall abstain from voting on the resolutions regarding the proposed grant of Awards to the Connected Selected Participants and its related matters. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Ning Zhao, Mr. Minzhang Chen, Dr. Shuhui Chen, Ms. Wendy J. Hu and Ms. Cuiping Hu, none of the Shareholders is a Connected Selected Participant who will be required to abstain from voting on the resolutions regarding the proposed grant of Awards to the Connected Selected Participants and its related matters.

A circular of the Company containing, among other things, (i) further details of the Scheme; (ii) further details of the proposed grant of Awards to the Connected Selected Grantees; (iii) a letter of recommendation from the Independent Financial Adviser; (iv) a letter of recommendation from the Independent Board Committee; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before July 31, 2020.

DEFINITIONS

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

- “A Share(s)” domestic share(s) of the Company with nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
- “Actual Selling Price” the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer
- “Articles of Association” the articles of association of the Company currently in force (as amended from time to time)
- “associate” shall have the meaning as set out in the Listing Rules
- “Award Letter” a letter issued by the Company to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in compliance with the Scheme
- “Award Period” the period commencing on the date on which the Shareholders approved this Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved this Scheme
- “Award Shares” the H Shares granted to a Selected Participant in an Award
- “Award” an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Scheme Rules

“Board”	the board of directors of the Company, from time to time
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	WuXi AppTec Co., Ltd.* (無錫藥明康得新藥開發股份有限公司)
“connected person(s)”	shall have the meaning as set out in the Listing Rules
“Connected Selected Participants”	Selected Participants who are connected persons of the Group
“Delegatee(s)”	the Management Committee, person(s) or board committee(s) to which the Board will delegate its authority
“Director(s)”	the director(s) of the Company, from time to time
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve, among other things, (i) the proposed adoption of the Scheme, (ii) the proposed grant of Awards to the Connected Selected Participants under the Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the Scheme
“Eligible Employee(s)”	any individual, being a Director, supervisor, senior management, mid-level manager, basic-level manager, backbone member of the technicians, other technician, who is a full-time PRC or non-PRC employee of any members of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Delegatee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Employee
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter

“Group”	the Company and its Subsidiaries from time to time, and the expression <i>member of the Group</i> shall be construed accordingly
“H Share Award and Trust Scheme” or “Scheme”	the H Share award and trust scheme proposed to be adopted by the Company in accordance with the Scheme Rules
“H Share(s)”	overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising Dr. Jiangnan Cai, Ms. Yan Liu, Mr. Dai Feng, Dr. Hetong Lou and Mr. Xiaotong Zhang, being all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in respect of the proposed grant of Awards to the Connected Selected Participants pursuant to the Scheme
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of Awards to the Connected Selected Participants pursuant to the Scheme
“Independent Shareholder(s)”	Shareholders who are independent of the Connected Selected Participants and its associates and are not required to abstain from voting on the relevant resolution at the general meeting of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Management Committee”	the management committee of the Scheme, consisting of the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman Mr. Edward Hu, and the person-in-charge of the human resources department, financial department and legal department of the Company, to which the Board will delegate its authority to administer the Scheme
“on-market”	the acquisition of H Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“PRC”	the People’s Republic of China
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the Scheme, or such H Shares being deemed to be Returned Shares under the Scheme Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Limit”	means the maximum size of the Scheme, being the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK\$700 million
“Scheme Rules”	the rules governing the operation of the Scheme as well as the implementation procedures (as amended from time to time)
“Selected Participant(s)”	any Eligible Employee who is approved for participation in the Scheme and has been granted any Award in accordance with the Scheme Rules
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including both A Share(s) and H Share(s)
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Vesting Date”	the date or dates, as determined from time to time by the Board or the Delegatee on which the Award (or part thereof) is to vest in the relevant Selected Participant, unless a different Vesting Date is deemed to occur in accordance with the Scheme Rules
“Vesting Period(s)”	the vesting period(s) of the Awards granted under the Scheme
“%”	percent

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

Hong Kong, July 21, 2020

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

* *For identification purposes only*