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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 2021 H SHARE AWARD AND TRUST SCHEME;**
- (2) PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE 2021 H SHARE AWARD AND TRUST SCHEME;**
- (3) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2021 H SHARE AWARD AND TRUST SCHEME;**
- (4) PROPOSED ADOPTION OF THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME;**
- (5) PROPOSED GRANT OF SAI AWARDS TO THE SAI CONNECTED SELECTED PARTICIPANTS UNDER THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME; AND**
- (6) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE SAI DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME**

## **INTRODUCTION**

The Board has resolved at a meeting of the Board held on August 2, 2021 to propose the adoption of the 2021 H Share Award and Trust Scheme and the 2021 Shareholder Alignment Incentive H Share Scheme. The adoption of the 2021 H Share Award and Trust Scheme and the 2021 Shareholder Alignment Incentive H Share Scheme are subject to the consideration and approval of the Shareholders which will be sought at the EGM.

### **The 2021 H Share Award and Trust Scheme**

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\$2 billion. 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.

## **The 2021 Shareholder Alignment Incentive H Share Scheme**

Only in the event that (i) the relevant SAI Award Pool has been released upon the fulfillment of the conditions in connection with the target closing price of the H Shares of the Company at the corresponding milestone (the details of which are further particularized below); (ii) the fulfilment of the terms and conditions of the SAI Awards and performance targets as the Board or the SAI Delegatee determines from time to time (if any); and (iii) the 2021 Shareholder Alignment Incentive H Share Scheme having been approved by the Shareholders at the EGM, may the Board or the SAI Delegatee grant SAI Awards to SAI Selected Participants during the SAI Award Period. The amounts of the four (4) SAI Scheme Limits are linked to the monetary value of the corresponding SAI Award Pool. The aggregate amount of the four (4) SAI Scheme Limits is HK\$7.5 billion.

## **IMPLICATIONS UNDER THE LISTING RULES**

Neither the 2021 H Share Award and Trust Scheme, nor the 2021 Shareholder Alignment Incentive H Share Scheme, involves the issue of new shares or granting of option for any new securities of the Company. Thus each of them does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules.

## **EGM**

The EGM will be convened to consider and, if thought fit, approve, among other things, the (i) the proposed adoption of the 2021 Scheme, (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme; (iv) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (v) the proposed grant of Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (vi) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme.

The Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolutions in respect of (i) the proposed adoption of the 2021 H Share Award and Trust Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme. The Connected Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolution in respect of the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme and its related matters. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the other Shareholders has a material interest in (i) the proposed adoption of the 2021 H Share Award and Trust Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme and is required to abstain from voting on such resolutions.

The SAI Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolutions in respect of (i) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (ii) the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (iii) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme. The SAI Connected Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolution in respect of the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme and its related matters. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the other Shareholders has a material interest in (i) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (ii) the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (iii) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme and is required to abstain from voting on such resolutions.

A circular of the Company containing, among other things, (i) further details of the 2021 Scheme; (ii) further details of the proposed grant of Awards to the Connected Selected Participants; (iii) further details of the 2021 Shareholder Alignment Incentive H Share Scheme; (iv) further details of the proposed grant of Awards to the SAI Connected Selected Participants; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before August 31, 2021, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

## **I. PROPOSED ADOPTION OF THE 2021 H SHARE AWARD AND TRUST SCHEME**

The Board has resolved at a meeting of the Board held on August 2, 2021 to propose the adoption of the 2021 Scheme. The adoption of the 2021 Scheme is subject to the consideration and approval of the Shareholders which will be sought at the EGM. The grant of Awards to the Selected Participants under the 2021 Scheme shall take effect only if the year-on-year growth of the revenue realized by the Group for the year ending December 31, 2021 (to be disclosed in the relevant annual results announcement of the Company) when compared to that for the year ended December 31, 2020 is 34% or above. Please refer to the section headed "Grant of Awards" below for further details. The principal terms of the 2021 Scheme are set out below.

## **Purposes of the 2021 Scheme**

The purposes of the 2021 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 modernize the Company's remuneration practices and to better align with the interests of the Shareholders while seeking a balanced approach in the operational and executive management oversight; 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 collective contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) introduce 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 2021 Scheme pursuant to the 2021 Scheme Rules, the 2021 Scheme shall be valid and effective for ten years commencing from the date on which the 2021 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 2021 Scheme prior to the expiration of the 2021 Scheme, in order to give effect to the vesting of such Award Shares.

## **Source of Funds**

The source of funds for funding the 2021 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 2021 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 2021 Scheme Rules.

The Company shall as soon as reasonably practicable, 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.

Any excess funds provided by the Company shall not automatically form part of the funds of the Trust and shall be refunded to the Company if no written direction to that effect is received by the Trustee within 30 days of the date of completion of the transfer of the relevant H Shares to the Trustee.

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 2021 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\$2 billion. 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 2021 Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the 2021 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\$168.32 per H Share, the maximum number of H Shares that can be purchased for the purpose of the 2021 Scheme is 11,882,129 H Shares, accounting for approximately 3.06% of the Company's total number of issued H Shares and approximately 0.40% of the Company's total share capital as at the date of this announcement. The ultimate number of H Shares underlying the 2021 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 2021 Scheme (excluding Award Shares that have been forfeited in accordance with the 2021 Scheme) to exceed the Scheme Limit without Shareholders' approval. The Scheme Limit shall not be subject to any refreshment.

### **Administration of the 2021 Scheme**

The 2021 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 2021 Scheme. The general meeting of the Shareholders may authorize the Board to deal with all matters related to the 2021 Scheme to the extent of its authority;
- (ii) the Board is the institution in charge of the administration of the 2021 Scheme in accordance with the 2021 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 2021 Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the 2021 Scheme, the Board will submit the 2021 Scheme to the general meeting of the Shareholders for consideration. The Board may handle all matters related to the 2021 Scheme within the authorization by the general meeting of the Shareholders;
- (iii) the independent non-executive Directors are the supervisory institution of the 2021 Scheme and shall express their views on whether the 2021 Scheme facilitates the sustainable development of the Company and whether the 2021 Scheme impairs the interests of the Company and the Shareholders as a whole. The independent non-executive Directors supervise whether the implementation of the 2021 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 2021 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\$2 billion to be transferred by the Company to the Trust.



Pursuant to the 2021 Scheme Rules, the authority to administer the 2021 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 2021 Scheme by the Shareholders at the EGM, the Board will delegate to the Management Committee the authority to administer the 2021 Scheme, including the power to grant an Award under the 2021 Scheme.

### **Selected Participants of the 2021 Scheme**

Eligible Employees who may participate in the 2021 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 2021 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 2021 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.

Subsequent to the obtaining of the Shareholders' approval in connection with the proposed adoption of the 2021 Scheme, the Company will transfer the necessary funds in the amount of HK\$2 billion (being the Scheme Limit) for the Trustee to acquire H Shares through on-market transactions from time to time at prevailing market price as the source of the Award Shares under the 2021 Scheme. The grant of Awards to the Selected Participants shall take effect only if the year-on-year growth of the revenue realized by the Group for the year ending December 31, 2021 (to be disclosed in the relevant annual results announcement of the Company) when compared to that for the year ended December 31, 2020 is 34% or above. If such condition cannot be satisfied, the abovementioned grant of Awards will not take effect and the Trustee shall hold and make use of such acquired H Shares in accordance with the relevant instructions of the Company, which could potentially involve the use of the acquired H Shares for the purpose of serving as the underlying shares of the awards to be granted under the 2022 H Share award and trust scheme of the Company (with terms and mechanism similar to the 2021 Scheme) (if any). Further announcement(s) will be made by the Company as and when appropriate to keep the Shareholders informed of any material development in this respect.

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 2021 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 2021 Scheme are as follows:

- (A) For Awards to be granted to Selected Participants who are Eligible Employees as at the date on which the 2021 Scheme is approved by the Shareholders at the EGM:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
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 2021 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 within the Group:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
First Vesting Period	Within the year immediately following the first anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	0%
Second Vesting Period	Within the year immediately following the second anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	25%
Third Vesting Period	Within the year immediately following the third anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	50%

The Vesting Periods of the Awards granted under any subsequent grant of the 2021 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 2021 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 2021 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 “meets expectations”) or above is 100% whereas the coefficient for individual performance appraisal results below grade B is 0.

In respect of Selected Participants who are PRC employees, the performance appraisal results comprise five grades, namely A+, A, B, C and D. For PRC employees who are management personnel at the level of senior director or above, the performance appraisal results comprise eight grades, namely A+, A, A-, B+, B, B-, C and D. In respect of Selected Participants who are non-PRC employees, the performance appraisal results comprise five grades, namely “significantly exceeds expectations”, “exceeds expectations”, “meets expectations”, “needs improvement” and “does not meet expectations”.

The performance appraisal is conducted annually and the process involves: (i) employee self-appraisal; (ii) performance appraisal evaluator conducts objective evaluation based on feedback and recommendations on the employee as well as the performance of the employee; (iii) performance appraisal reviewer conducts review of the performance appraisal results; and (iv) relevant persons-in-charge of the various business and operational units approves the performance appraisal results, and the appraisal results of management personnel at the level of senior director or above shall be approved by the chief executive officer of the Company.

The performance appraisal encompasses three aspects, namely job responsibilities, operational performance and core values. The supervisors of the relevant employees will conduct objective evaluation of the performance appraisal results based on the collected appraisal information (including records of work results, work summary of the relevant employees and performance feedback and recommendations) and the

individual performance targets of the relevant employees. In terms of core values, the supervisors of the relevant employees will conduct an integrated evaluation based on parameters including key events, upstream and downstream work evaluation and peer evaluation.

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 for application towards future Awards in accordance with the 2021 Scheme Rules for the purpose of the 2021 Scheme.

### **Interest in the Award Shares**

Any Award granted under the 2021 Scheme but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

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 2021 Scheme.

### **Amendment or Termination of the 2021 Scheme**

#### ***Amendment of the 2021 Scheme***

Subject to the Scheme Limit, the 2021 Scheme may be altered in any respect by a resolution of the Board or the Delegatee 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 2021 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 2021 Scheme*

The 2021 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 2021 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 2021 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 2021 Scheme.

## **II. PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE 2021 H SHARE AWARD AND TRUST SCHEME**

The Company proposes to grant Awards in an aggregate value of HK\$110,452,209 to 13 Connected Selected Participants as follows:

Name of Connected Selected Participants	Position	Value of the Award	Approximate percentage to the maximum amount of underlying fund of the Scheme Limit ( <i>i.e.</i> HK\$2 billion)	Number of Award Shares underlying the Award (for illustrative purpose only) ( <i>Note 1</i> )	Approximate percentage to the total number of H Shares as at the date of this announcement (for illustrative purpose only)	Approximate percentage to the total issued share capital of the Company as at the date of this announcement (for illustrative purpose only)
Dr. Ge Li	Executive Director, chairman and chief executive officer	HK\$25,788,705	1.2894%	153,212 H Shares	0.0394%	0.0052%
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	HK\$11,537,053	0.5769%	68,542 H Shares	0.0176%	0.0023%
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	HK\$12,331,702	0.6166%	73,263 H Shares	0.0188%	0.0025%
Dr. Minzhang Chen	Vice president	HK\$16,302,442	0.8151%	96,853 H Shares	0.0249%	0.0033%
Dr. Shuhui Chen	Vice president	HK\$12,198,532	0.6099%	72,472 H Shares	0.0186%	0.0025%
Mr. Zhaohui Zhang	Executive Director, vice president	HK\$8,596,236	0.4298%	51,070 H Shares	0.0131%	0.0017%
Dr. Ning Zhao	Executive Director, vice president	HK\$5,730,825	0.2865%	34,047 H Shares	0.0088%	0.0012%
Mr. Ellis Bih-Hsin Chu	Chief financial officer	HK\$4,569,073	0.2285%	27,145 H Shares	0.0070%	0.0009%
Mr. Guodong Tong	President of principal subsidiaries of the Company	HK\$5,730,825	0.2865%	34,047 H Shares	0.0088%	0.0012%

Name of Connected Selected Participants	Position	Value of the Award	Approximate percentage to the maximum amount of underlying fund of the Scheme Limit (i.e. HK\$2 billion)	Number of Award Shares underlying the Award (for illustrative purpose only) (Note 1)	Approximate percentage to the total number of H Shares as at the date of this announcement (for illustrative purpose only)	Approximate percentage to the total issued share capital of the Company as at the date of this announcement (for illustrative purpose only)
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	HK\$3,745,723	0.1873%	22,253 H Shares	0.0057%	0.0008%
Ms. Wendy J. Hu*	Senior director of human resources	HK\$1,340,544	0.0670%	7,964 H Shares	0.0020%	0.0003%
Mr. Harry Liang He	Chairman of the Supervisory Committee	HK\$1,910,276	0.0955%	11,349 H Shares	0.0029%	0.0004%
Ms. Minfang Zhu	Employee representative Supervisor	HK\$670,273	0.0335%	3,982 H Shares	0.0010%	0.0001%
Total		HK\$110,452,209	5.5226%	656,199 H Shares	0.1687%	0.0222%

*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\$168.32 per H Share.

\* 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 at the time of grant 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 2021 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 2021 Scheme and abstained from voting on the relevant board resolutions in relation to the 2021 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 2021 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. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2021 H SHARE AWARD AND TRUST SCHEME**

In order to ensure the successful implementation of the 2021 Scheme, the Board proposed that, subject to the approval of the 2021 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 2021 Scheme with full authority, including but not limited to:

- (i) 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 determine the Grant Date and Vesting Date of Award Shares;
- (iii) to administer, amend and adjust the 2021 Scheme, including but not limited to 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 establish the Management Committee for the purpose of the 2021 Scheme;
- (v) 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 2021 Scheme;
- (vi) to sign, execute, amend and terminate all agreements and other relevant documents in connection with the 2021 Scheme, fulfill all relevant procedures in relation to the 2021 Scheme, and adopt other methods to implement the terms of the 2021 Scheme;

- (vii) 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 determine the execution, amendment and termination of the 2021 Scheme, including the forfeiture of Awards and continued vesting of Award Shares upon the changes in circumstances pertaining to the Selected Participants;
- (ix) to construe and interpret the 2021 Scheme Rules and to resolve any issues and disputes arising from or in connection with the 2021 Scheme;
- (x) to exercise any other authorizations in relation to matters necessary to the implementation of the 2021 Scheme granted by the Shareholders' meeting from time to time;
- (xi) (a) 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 2021 Scheme; (b) to enter into the plan management agreement on behalf of the Company with Computershare Hong Kong Investor Services Limited, pursuant to which Computershare Investor Services Limited will provide plan management services in respect of the 2021 Scheme; and (c) 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 2021 Scheme by Computershare Investor Services Limited;
- (xii) to, during the validity period of such authorization, delegate its authority to administer the 2021 Scheme to the Management Committee formed by individuals including the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman and Global Chief Investment Officer Mr. Edward Hu, the co-Chief Executive Officer Dr. Steve Qing Yang, the vice president Dr. Minzhang Chen, the vice president Dr. Ning Zhao, 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 2021 Scheme with full authority, including but not limited to:
  - (a) matters in relation to the 2021 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 2021 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 preceding matters 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.

#### **IV. PROPOSED ADOPTION OF THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME**

The Board has resolved at a meeting of the Board held on August 2, 2021 to propose the adoption of the 2021 Shareholder Alignment Incentive H Share Scheme. The adoption of the 2021 Shareholder Alignment Incentive H Share Scheme is still subject to the consideration and approval of the Shareholders which will be sought at the EGM. The principal terms of the 2021 Shareholder Alignment Incentive H Share Scheme are set out below.

## **Purposes of the 2021 Shareholder Alignment Incentive H Share Scheme**

The purposes of the 2021 Shareholder Alignment Incentive H Share Scheme are:

- (i) to retain, reward and incentivize the SAI Selected Participants comprising employees who have made and are expected to continue to make significant and particular contributions to the Group's business development and growth, with incentives highly correlated to and directly driven by the overall business performance and stock price of the H Shares of the Company;
- (ii) to further stimulate the growth of the Company by directly aligning the interests of the SAI Selected Participants with those of the Shareholders, and encourage seizing strategic opportunities involving new technologies and new business development; and
- (iii) to bolster the cohesiveness and camaraderie among the SAI Selected Participants which have a common objective in achieving specified performance goals of the Group collectively and unlocking the intrinsic value of the Group as appraised by the general investor base and the market.

## **Duration and Operating Mechanism**

Subject to any early termination of the 2021 Shareholder Alignment Incentive H Share Scheme pursuant to the 2021 Shareholder Alignment Incentive H Share Scheme Rules, the 2021 Shareholder Alignment Incentive H Share Scheme shall be valid and effective for ten years commencing from the date on which the 2021 Shareholder Alignment Incentive H Share Scheme is approved by the Shareholders at the EGM (after which no further SAI Awards will be granted), and thereafter for so long as there are non-vested SAI Award Shares granted under the 2021 Shareholder Alignment Incentive H Share Scheme prior to the expiration of the 2021 Shareholder Alignment Incentive H Share Scheme, in order to give effect to the vesting of such SAI Award Shares.

Set out below is a brief overview of the operating mechanism of the 2021 Shareholder Alignment Incentive H Share Scheme once it is approved (whereby each step must take place in consequential order):

- (i) the relevant SAI Award Pool will only be released and available for granting upon the fulfilment of the relevant release conditions (see "Grant of SAI Awards and conditions of release of the SAI Award Pools");

- (ii) the Company will then transfer to the SAI Trust the necessary funds (being the monetary value of the relevant SAI Award Pool) to acquire H Shares through on-market transactions at the prevailing market price (see “Source of SAI Award Shares and acquisition of H Shares by the SAI Trustee” and “SAI Scheme Limits”);
- (iii) upon the fulfilment of the terms and conditions of the SAI Awards and performance targets as the Board or the SAI Delegatee determines from time to time (if any), SAI Awards are granted to SAI Selected Participants during the SAI Award Period (see “Grant of SAI Awards”); and
- (iv) after the grant, the vesting of the SAI Awards will be further subject to conditions of the H share price performance indicator and the individual performance indicators of the SAI Selected Participants (see “Vesting of the SAI Awards”), and any other applicable vesting conditions as set out in the SAI Award Letter.

### **Source of Funds**

The source of funds for funding the 2021 Shareholder Alignment Incentive H Share Scheme is the internal funds of the Company.

### **Source of SAI Award Shares and acquisition of H Shares by the SAI Trustee**

The source of the SAI Award Shares under the 2021 Shareholder Alignment Incentive H Share Scheme shall be H Shares to be acquired by the SAI Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the 2021 Shareholder Alignment Incentive H Share Scheme Rules.

The Company shall as soon as reasonably practicable, after the release of the SAI Award Pool(s) and for the purposes of satisfying the grant of SAI Awards, transfer to the SAI Trust the necessary funds (being the monetary value of the relevant SAI Award Pool) and instruct the SAI Trustee to acquire H Shares through on-market transactions at the prevailing market price. The SAI 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.

Any excess funds provided by the Company shall not automatically form part of the funds of the SAI Trust and shall be refunded to the Company if no written direction to that effect is received by the SAI Trustee within 30 days of the date of completion of the transfer of the relevant H Shares to the SAI Trustee.

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

### **SAI Scheme Limits**

Subject to the 2021 Shareholder Alignment Incentive H Share Scheme Rules, the 2021 Shareholder Alignment Incentive H Share Scheme shall have four (4) individual scheme limits for each of the four (4) SAI Award Pools. The amounts of the four (4) SAI Scheme Limits are linked to the monetary value of the corresponding SAI Award Pool. In particular, (i) the maximum number of H shares that will be acquired by the SAI Trustee through on-market transactions from time to time at prevailing market price with funds to be provided by the Company for the purpose of satisfying the SAI Awards to be granted under the First SAI Award Pool (as defined below) shall be in the aggregate amount of HK\$1 billion; (ii) the maximum number of H shares that will be acquired by the SAI Trustee through on-market transactions from time to time at prevailing market price with funds to be provided by the Company for the purpose of satisfying the SAI Awards to be granted under the Second SAI Award Pool (as defined below) shall be in the aggregate amount of HK\$1.5 billion; (iii) the maximum number of H shares that will be acquired by the SAI Trustee through on-market transactions from time to time at prevailing market price with funds to be provided by the Company for the purpose of satisfying the SAI Awards to be granted under the Third SAI Award Pool (as defined below) shall be in the aggregate amount of HK\$2 billion; and (iv) the maximum number of H shares that will be acquired by the SAI Trustee through on-market transactions from time to time at prevailing market price with funds to be provided by the Company for the purpose of satisfying the SAI Awards to be granted under the Fourth SAI Award Pool (as defined below) shall be in the aggregate amount of HK\$3 billion. The aggregate amount of the four (4) SAI Scheme Limits is HK\$7.5 billion. The Company proposed to set the SAI Scheme Limits in terms of the amounts of funds that it will provide to the SAI Trustee to acquire H Shares through on-market transactions in order to (i) regulate the costs of the Company in setting up the 2021 Shareholder Alignment Incentive H Share Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the 2021 Shareholder Alignment Incentive H Share Scheme.

The Company shall not make any further grant of SAI Awards which will result in the aggregate number of H Shares underlying all grants made pursuant to the 2021 Shareholder Alignment Incentive H Share Scheme (excluding SAI Award Shares that have been forfeited in accordance with the 2021 Shareholder Alignment Incentive H



Share Scheme) under each of the SAI Award Pools to exceed their corresponding SAI Scheme Limit without Shareholders' approval. The SAI Scheme Limits shall not be subject to any refreshment.

### **Administration of the 2021 Shareholder Alignment Incentive H Share Scheme**

The 2021 Shareholder Alignment Incentive H Share Scheme shall be subject to the administration of the following administrative bodies:

- (a) 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 2021 Shareholder Alignment Incentive H Share Scheme. The general meeting of the Shareholders may authorize the Board and/or the SAI Delegatee to deal with all matters related to the 2021 Shareholder Alignment Incentive H Share Scheme to the extent of its authority;
- (b) the Board is the institution in charge of the administration of the 2021 Shareholder Alignment Incentive H Share Scheme in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules and where applicable, the SAI 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 2021 Shareholder Alignment Incentive H Share Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the 2021 Shareholder Alignment Incentive H Share Scheme, the Board will submit the 2021 Shareholder Alignment Incentive H Share Scheme to the general meeting of the Shareholders for consideration. The Board and/or the SAI Delegatee may handle all matters related to the 2021 Shareholder Alignment Incentive H Share Scheme within the authorization by the general meeting of the Shareholders;
- (c) the independent non-executive Directors are the supervisory institution of the 2021 Shareholder Alignment Incentive H Share Scheme and shall evaluate and communicate their views considering the position of Shareholders on whether the 2021 Shareholder Alignment Incentive H Share Scheme facilitates the sustainable development of the Company and whether the 2021 Shareholder Alignment Incentive H Share Scheme impairs the interests of the Company and the Shareholders as a whole. In addition, the independent non-executive Directors will supervise whether the implementation of the 2021 Shareholder Alignment Incentive H Share Scheme complies with relevant laws, regulations, regulatory documents and the business rules of the Stock Exchange, and is responsible for reviewing the list of the SAI Selected Participants; and

- (d) the SAI Trust will be constituted to service the 2021 Shareholder Alignment Incentive H Share Scheme whereby the SAI Trustee shall, subject to the relevant provisions of the SAI Trust Deed and upon the instruction of the Company, acquire H Shares through on-market transactions with funds to be provided by the Company to the SAI Trust in the amount of the monetary value of each of the four (4) SAI Award Pools, being HK\$1 billion, HK\$1.5 billion, HK\$2 billion and HK\$3 billion, respectively.

Pursuant to the 2021 Shareholder Alignment Incentive H Share Scheme Rules, the authority to administer the 2021 Shareholder Alignment Incentive H Share Scheme may be delegated by the Board to the SAI Delegatee as deemed appropriate in the sole and absolute discretion of the Board. Upon the approval and adoption of the 2021 Shareholder Alignment Incentive H Share Scheme by the Shareholders at the EGM, the Board will delegate to the SAI Delegatee the authority to administer the 2021 Shareholder Alignment Incentive H Share Scheme, including the power to grant a SAI Award under the 2021 Shareholder Alignment Incentive H Share Scheme.

### **SAI Selected Participants of the 2021 Shareholder Alignment Incentive H Share Scheme**

SAI Eligible Employees who may qualify to participate in the 2021 Shareholder Alignment Incentive H Share Scheme include any individual, being any individual, being an executive Director, a supervisor who is an employee of the Company, senior management member, and personnel at the grade of director or above that made high performance contributions and are critical company middle to senior management personnel, who is a full-time PRC or non-PRC employee of any members of the Group, and whose performance appraisal results for the most recent two consecutive years are A-or above for any one year and B (excluding B-) or above for the other year.

The Board or the SAI Delegatee may, from time to time, select any SAI Eligible Employee to be a SAI Selected Participant in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules. The SAI 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 SAI Selected Participant to the Group.

No one should be considered as a SAI Selected Participant of the 2021 Shareholder Alignment Incentive H Share Scheme if he:

- (a) 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;
- (b) 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
- (c) 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 SAI Awards**

#### ***Grant of SAI Awards and conditions of release of the SAI Award Pools***

Only in the event that (i) the relevant SAI Award Pool has been released upon the fulfillment of the conditions in connection with the target closing price of the H Shares of the Company at the corresponding milestone (the details of which are further particularized below); (ii) the fulfilment of the terms and conditions of the SAI Awards and performance targets as the Board or the SAI Delegatee determines from time to time (if any); and (iii) the 2021 Shareholder Alignment Incentive H Share Scheme having been approved by the Shareholders at the EGM, may the Board or the SAI Delegatee grant SAI Awards to SAI Selected Participants during the SAI Award Period.

Milestone	Release conditions	SAI Award Pool to be released
First milestone	The closing price of the H Shares as stated in the Stock Exchange’s daily quotations sheets being above HK\$170 for any non-consecutive 45 Business Days or above during any 12-month period which falls under the aggregate duration of five years commencing on the date on which the adoption of the 2021 Shareholder Alignment Incentive H Share Scheme will be approved by the Board (being August 2, 2021) (the “ <b>SAI Milestone Test Period</b> ”)	First SAI Award Pool with a monetary value of HK\$1 billion (the “ <b>First SAI Award Pool</b> ”)
Second milestone	The closing price of the H Shares as stated in the Stock Exchange’s daily quotations sheets being above HK\$187 for any non-consecutive 45 Business Days or above during any 12-month period which falls under the SAI Milestone Test Period	Second SAI Award Pool with a monetary value of HK\$1.5 billion (the “ <b>Second SAI Award Pool</b> ”)
Third milestone	The closing price of the H Shares as stated in the Stock Exchange’s daily quotations sheets being above HK\$204 for any non-consecutive 45 Business Days or above during any 12-month period which falls under the SAI Milestone Test Period	Third SAI Award Pool with a monetary value of HK\$2 billion (the “ <b>Third SAI Award Pool</b> ”)
Fourth milestone	The closing price of the H Shares as stated in the Stock Exchange’s daily quotations sheets being above HK\$238 for any non-consecutive 45 Business Days or above during any 12-month period which falls under the SAI Milestone Test Period	Fourth SAI Award Pool with a monetary value of HK\$3 billion (the “ <b>Fourth SAI Award Pool</b> ”)

The target closing price of the H Shares of the Company as stated in the abovementioned conditions of release for each of the SAI Award Pools was discussed by the management and proposed to the Company in March 2021 (when the plan to use the target closing price of the H Shares of the Company as the conditions of release for each of the SAI Award Pools was first proposed) with reference to, among other things, (i) the then average ex-rights closing price of the H Shares for March 2021, being approximately HK\$125.56; and (ii) the expected business development and growth of the Group.

The target closing price of the H Shares of the Company as stated in the abovementioned conditions of release for each of the SAI Award Pools is subject to adjustment in the event the Company undertakes a capitalization issue, issue of bonus shares, sub-division of shares, rights issue, or consolidation of the H Shares, or any non-cash distribution or other events by reason of which the Board considers an adjustment to the closing price of the H Shares as stated in the abovementioned conditions of grant for each relevant milestone to be fair and reasonable. Set out below are the formulas pursuant to which the target closing price of the H Shares of the Company as stated in the abovementioned conditions of release for each of the SAI Award Pools may be adjusted:

(i) *Capitalization of reserve, issue of bonus shares and sub-division of shares*

$$P = P_0 \div (1+n)$$

Where:  $P_0$  represents the target closing price before the adjustment;  $n$  represents the ratio of increase per share resulting from the issue of shares by capitalization of reserve, bonus shares issue and sub-division of shares to each share;  $P$  represents the adjusted target closing price.

(ii) *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) / [P_1 \times (1+n)]$$

Where:  $P_0$  represents the target closing price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $P$  represents the adjusted target closing price.

(iii) *Consolidation of shares*

$$P + P_0 \div n$$

Where:  $P_0$  represents the target closing price before the adjustment;  $n$  represents the ratio of consolidation of shares;  $P$  represents the adjusted target closing price.

### **Release of SAI Award Pools**

The release of the SAI Award Pools can take place during any point of time during the SAI Milestone Test Period. Over the course of any 12-month period within such five-year duration, the SAI Award Pools shall be released as and when the target closing price of the H Shares of the Company as set out in the abovementioned conditions of release at the corresponding milestone(s) has been reached. In the event that no milestone can be reached during the first 12-month period which falls under the SAI Milestone Test Period, the SAI Award Pools will not be released, and further assessments as to whether any milestone can be reached will be made during the other 12-month periods which fall under the SAI Milestone Test Period, until all the four (4) milestones are reached before the expiry of the SAI Milestone Test Period or the aggregate five-year duration of the SAI Milestone Test Period expires. In the event that the target closing price of the H Shares of the Company has been reached and it is higher than more than one of the four (4) target closing prices, each of the SAI Award Pools which corresponds to the relevant milestone that has been reached will be released concurrently. If none of the milestones can be reached during the aggregate five-year duration, no grant of SAI Awards will be made at all.

For illustrative purpose, (i) in the event that only the first milestone has been reached during the first 12-month period constituting the aggregate five-year duration, the First SAI Award Pool with the monetary value of HK\$1 billion will be released, and the remaining three SAI Award Pools with the aggregate monetary value of HK\$6.5 billion will be released as appropriate subject to whether any of the remaining three milestones can be reached during the rest of any 12-month period within the SAI Milestone Test Period; (ii) in the event that both the first and second milestones have been reached during the first 12-month period constituting the aggregate five-year duration, the First SAI Award Pool and the Second SAI Award Pool with the aggregate monetary value of HK\$2.5 billion will be released concurrently, and the remaining two SAI Award Pools with the aggregate monetary value of HK\$5 billion will be released as appropriate subject to whether any of the remaining two milestones can be reached during the rest of any 12-month period within the SAI Milestone Test Period; (iii) in the event that the first, the second and the third milestones have been reached during the first 12-month period, the First SAI Award Pool, the Second SAI Award Pool and the Third SAI Award Pool with the aggregate monetary value of HK\$4.5 billion will be released concurrently, and the remaining one SAI Award Pool with the monetary value of HK\$3.0 billion will be released as appropriate subject to whether the remaining one milestone can be reached during the rest of any 12-month period within the SAI Milestone Test Period; (iv) in the event that all four (4) milestones have been reached during the first 12-month period, the First SAI Award Pool, the Second



SAI Award Pool, the Third SAI Award Pool and the Fourth SAI Award Pool with the aggregate monetary value of HK\$7.5 billion will be released concurrently; and (v) in the event that none of the four (4) milestones can be reached during any 12-month period within the SAI Milestone Test Period, none of the SAI Award Pools will be released at all and no grant of SAI Awards will be made.

After the release of the SAI Award Pool(s), necessary funds in the monetary amount of the SAI Award Pool(s) will be transferred by the Company to the SAI Trust and the Company will instruct the SAI Trustee to acquire H Shares through on-market transactions at the prevailing market price using such funds.

### **Number of SAI Award Shares underlying the SAI Awards**

The actual number of SAI Award Shares underlying the SAI Awards granted under each of the SAI Award Pools shall be fixed and further notified on the date of grant based on the number of SAI Award Shares that the SAI Trustee will acquire through on-market transactions from time to time at prevailing market price and apportion to the corresponding value of the relevant SAI Award based on the volume-weighted average price at which the Trustee will have acquired such SAI Award Shares pursuant to the 2021 Shareholder Alignment Incentive H Share Scheme utilizing the funds in the monetary value of the particular SAI Award Pool provided by the Company.

For illustrative purpose, (i) in the event that only the first milestone has been reached during a 12-month period within the SAI Milestone Test Period and only the First SAI Award Pool is released as a result, the maximum number of underlying H Shares that can be purchased for the purpose of satisfying the SAI Awards to be granted under the First SAI Award Pool (with a monetary value of HK\$1 billion) assuming the volume-weighted average price at which the SAI Trustee will have acquired such SAI Award Shares is equivalent to the target closing price of the H Shares of the Company for the first milestone (being HK\$170), would be 5,882,352 H Shares, accounting for approximately 1.51% of the Company's total number of issued H Shares and approximately 0.20% of the Company's total issued share capital as at the date of this announcement; (ii) in the event that both the first and second milestones have been reached during a 12-month period within the SAI Milestone Test Period, the maximum number of underlying H Shares that can be purchased for the purpose of satisfying the SAI Awards to be granted under the First SAI Award Pool (with a monetary value of HK\$1 billion) and the Second SAI Award Pool (with a monetary value of HK\$1.5 billion in aggregate) assuming the volume-weighted average price at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the First SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the first milestone (being HK\$170) and the same at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the Second SAI Award Pool is equivalent to the target closing price of

the H Shares of the Company for the second milestone (being HK\$187), would be 13,903,742 H Shares, accounting for approximately 3.58% of the Company's total number of issued H Shares and approximately 0.47% of the Company's total issued share capital as at the date of this announcement; (iii) in the event that the first, the second and the third milestones have been reached during a 12-month period within the SAI Milestone Test Period, the number of underlying H Shares that can be purchased for the purpose of satisfying the SAI Awards to be granted under the First SAI Award Pool (with a monetary value of HK\$1 billion), the Second SAI Award Pool (with a monetary value of HK\$1.5 billion) and the Third SAI Award Pool (with a monetary value of HK\$2 billion) assuming the volume-weighted average price at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the First SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the first milestone (being HK\$170), the same at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the Second SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the second milestone (being HK\$187) and the same at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the Third SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the third milestone (being HK\$204), would be 23,707,663 H Shares in aggregate, accounting for approximately 6.10% of the Company's total number of issued H Shares and approximately 0.80% of the Company's total issued share capital as at the date of this announcement; (iv) in the event that all four (4) milestones have been reached during a 12-month period within the SAI Milestone Test Period, the number of underlying H Shares that can be purchased for the purpose of satisfying the SAI Awards to be granted under all of the four (4) the SAI Award Pools (with monetary values of HK\$1 billion, HK\$1.5 billion, HK\$2 billion and HK\$3 billion, respectively) assuming the volume-weighted average price at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the First SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the first milestone (being HK\$170), the same at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the Second SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the second milestone (being HK\$187), the same at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the Third SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the third milestone (being HK\$204) and the same at which the SAI Trustee will have acquired the SAI Award Shares underlying the SAI Awards granted under the Fourth SAI Award Pool is equivalent to the target closing price of the H Shares of the Company for the fourth milestone (being HK\$238), would be 36,312,705 H Shares in aggregate, accounting for approximately 9.34% of the Company's total number of issued H Shares and approximately 1.23% of the Company's total issued share capital as at the date of this announcement.

For the avoidance of doubt and as abovementioned, no grant of SAI Awards to the SAI Selected Participants will be made unless and until the relevant SAI Award Pool has been released and the necessary funds in the monetary amount of the relevant SAI Award Pool having been transferred by the Company to the SAI Trust for its acquisition of H Shares through on-market transactions at the prevailing market price.

## **General**

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

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

- (i) where such grant of SAI Award would result in a breach of the SAI Scheme Limit for the particular SAI Award Pool;
- (ii) after the expiry of the SAI Award Period or after the earlier termination of the 2021 Shareholder Alignment Incentive H Share 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 SAI Awards

The Board or the SAI Delegatee may determine the vesting criteria and conditions or periods for the SAI Awards granted under each of the SAI Award Pools to be vested.

### *Vesting schedule*

Unless otherwise specified in the SAI Award Letter approved by the Board or the Delegatee, the SAI Vesting Periods of the SAI Awards granted under each of the SAI Award Pools of the 2021 Shareholder Alignment Incentive H Share Scheme are as follows:

	<b>SAI Vesting Periods</b>	<b>Proportion of Vesting</b>
First SAI Vesting Period	Within the year immediately following the first anniversary of the SAI Grant Date	20%
Second SAI Vesting Period	Within the year immediately following the second anniversary of the SAI Grant Date	20%
Third SAI Vesting Period	Within the year immediately following the third anniversary of the SAI Grant Date	20%
Fourth SAI Vesting Period	Within the year immediately following the fourth anniversary of the SAI Grant Date	20%
Fifth SAI Vesting Period	Within the year immediately following the fifth anniversary of the SAI Grant Date	20%

The SAI Vesting Periods of the SAI Awards granted under any subsequent grant of the 2021 Shareholder Alignment Incentive H Share Scheme pursuant to any of the SAI Award Pools or the SAI Awards to be satisfied by the application of any SAI 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 SAI Award Period at the time of grant.

## ***Vesting Conditions***

Vesting of the SAI Awards granted under each of the SAI Award Pools of the 2021 Shareholder Alignment Incentive H Share Scheme is subject to conditions of (i) the performance indicator of the closing prices of the H Shares of the Company during each SAI Vesting Period; and (ii) the individual performance indicators of the SAI Selected Participants, and any other applicable vesting conditions as set out in the SAI Award Letter.

### **H Share price performance indicator**

The average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheets having first reached a level of being no less than 80% of the target closing price of the H Shares for the milestone which corresponds to the particular SAI Award Pool under which the SAI Awards were granted for any consecutive 45 Business Days during each SAI Vesting Period. For illustrative purpose, the level of the average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheets for any consecutive 45 Business Days during each of the SAI Vesting Periods required for the vesting of the SAI Awards granted under the First SAI Award Pool shall be no less than HK\$136, being 80% of the target closing price of the H Shares for the first milestone of HK\$170.

### **Individual performance indicators**

The individual performance indicators of the SAI 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 SAI Selected Participants and determine the actual vesting amount of the SAI Awards granted under the 2021 Shareholder Alignment Incentive H Share Scheme accordingly. The actual vesting amount of the SAI Award granted to a SAI Selected Participant for the respective SAI Vesting Periods shall be equal to the standard coefficient  $\times$  the planned vesting amount for the respective SAI Vesting Periods. The coefficient for individual performance appraisal results of grade B (or its equivalent appraisal result such as "meets expectations") or above is 100% whereas the coefficient for individual performance appraisal results below grade B is 0.

In respect of SAI Selected Participants who are PRC employees, the performance appraisal results comprise five grades, namely A+, A, B, C and D. For PRC employees who are management personnel at the level of senior director or above, the performance appraisal results comprise eight grades, namely A+, A, A-, B+, B, B-, C and D. In respect of SAI Selected Participants who are non-PRC employees, the performance appraisal results comprise five grades, namely "significantly exceeds expectations", "exceeds expectations", "meets expectations", "needs improvement" and "does not meet expectations".



The performance appraisal is conducted annually and the process involves: (i) employee self-appraisal; (ii) performance appraisal evaluator conducts objective evaluation based on feedback and recommendations on the employee as well as the performance of the employee; (iii) performance appraisal reviewer conducts review of the performance appraisal results; and (iv) relevant persons-in-charge of the various business and operational units approves the performance appraisal results, and the appraisal results of management personnel at the level of senior director or above shall be approved by the chief executive officer of the Company.

The performance appraisal encompasses three aspects, namely job responsibilities, operational performance and core values. The supervisors of the relevant employees will conduct objective evaluation of the performance appraisal results based on the collected appraisal information (including records of work results, work summary of the relevant employees and performance feedback and recommendations) and the individual performance targets of the relevant employees. In terms of core values, the supervisors of the relevant employees will conduct an integrated evaluation based on parameters including key events, upstream and downstream work evaluation and peer evaluation.

If any of the vesting conditions cannot be fulfilled at a SAI Vesting Period, the proportion of the SAI Awards granted under the particular SAI Award Pool which is supposed to be vested during that particular SAI Vesting Period shall be carried forward and be vested together with the proportion of the SAI Awards granted under the particular SAI Award Pool which is supposed to be vested at the subsequent SAI Vesting Period subject to the fulfillment of the vesting conditions at such subsequent SAI Vesting Period. Such carrying forward of unvested SAI Awards can take place until there is no longer a subsequent SAI Vesting Period. By way of illustration, (i) if the SAI Selected Participant fails to fulfill any of the vesting conditions at the first SAI Vesting Period but is able to fulfil the vesting conditions at the second SAI Vesting Period, the proportion of vesting during the second SAI Vesting Period would be 40%, so on and so forth; (ii) if the SAI Selected Participant fails to fulfil any of the vesting conditions at the fifth SAI Vesting Period, the 20% (or the accumulated proportion) of the SAI Awards which are supposed to be vested will not be carried forward, and shall not be vested and shall be held by the SAI Trustee as SAI Returned Shares; and (iii) if the SAI Selected Participant fails to fulfill any of the vesting conditions at each of the SAI Vesting Periods, all the SAI Award Shares underlying the relevant SAI Awards granted under the particular SAI Award Pool which may otherwise be vested during the respective SAI Vesting Periods shall not be vested and shall be held by the SAI Trustee as SAI Returned Shares. The SAI Trustee shall, in accordance with the instructions of the Board or the SAI Delegatee, relevant laws and regulations, and subject to the fulfilment of any necessary internal approval procedures of the Company, make use of such SAI Returned Shares for purposes which include but are not limited to the application towards future SAI Awards or the awards to be made under other H Share award schemes which may be adopted by the Company in the future (if any).



## **Interest in the SAI Award Shares**

Any SAI Award granted under each of the SAI Award Pools of the 2021 Shareholder Alignment Incentive H Share Scheme but not yet vested shall be personal to the SAI Selected Participant to whom it is made and shall not be assignable or transferable and no SAI Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any SAI Award granted under each of the SAI Award Pools, or enter into any agreement to do so.

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

A SAI Selected Participant shall have no right to any dividend underlying the non-vested SAI Award Shares or any of the SAI 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 SAI Returned Shares, all of which shall be retained by the SAI Trustee for the benefit of the 2021 Shareholder Alignment Incentive H Share Scheme.

## **Amendment or Termination of the 2021 Shareholder Alignment Incentive H Share Scheme**

### ***Amendment of the 2021 Shareholder Alignment Incentive H Share Scheme***

Save for the SAI Scheme Limits and the target closing price of the H Shares of the Company as stated in the conditions of release of each SAI Award Pool, the 2021 Shareholder Alignment Incentive H Share Scheme may be altered in any respect by a resolution of the Board or the SAI Delegatee provided that no such alteration shall operate to affect materially and adversely any subsisting rights of any SAI Selected Participant unless otherwise provided for in the 2021 Shareholder Alignment Incentive H Share Scheme Rules, except (i) with the consent in writing of SAI Selected Participants amounting to more than half of the nominal value of all SAI Award Shares held by the SAI Trustee on that date; or (ii) with the sanction of an ordinary resolution that is passed at a meeting of the SAI Selected Participants amounting to more than half of the nominal value of all SAI Award Shares held by the SAI Trustee on that date.

### ***Termination of the 2021 Shareholder Alignment Incentive H Share Scheme***

The 2021 Shareholder Alignment Incentive H Share Scheme shall terminate on the earlier of (i) the end of the SAI Award Period except in respect of any non-vested SAI Award Shares granted under the 2021 Shareholder Alignment Incentive H Share Scheme prior to the expiration of the 2021 Shareholder Alignment Incentive H Share Scheme, for the purpose of giving effect to the vesting of such SAI Award Shares or otherwise as may be required in accordance with the provisions of the 2021 Shareholder Alignment Incentive H Share 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 SAI Selected Participant under the 2021 Shareholder Alignment Incentive H Share Scheme.

## V. PROPOSED GRANT OF SAI AWARDS TO THE SAI CONNECTED SELECTED PARTICIPANTS UNDER THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME

Subject to the fulfillment of the relevant conditions of release of each of the SAI Award Pools at the relevant milestones and the fulfilment of the terms and conditions of the SAI Awards and performance targets as the Board or the SAI Delegatee determines from time to time (if any), the Company proposes to grant SAI Awards under each of the SAI Award Pools in a maximum aggregate value of HK\$1,606,060,300 to 13 SAI Connected Selected Participants as follows:

Name of SAI connected Selected Participants	Position	Maximum value of the SAI Award	Approximate percentage to the monetary value of the First SAI Award Pool	Maximum number of the SAI Award Shares underlying the SAI Award (for illustrative purpose only)	Approximate percentage to the total number of H Shares as at the date of this announcement (for illustrative purpose only)	Approximate percentage to the total issued share capital of the Company as at the date of this announcement (for illustrative purpose only)
<i>First SAI Award Pool</i>						
Dr. Ge Li	Executive Director, chairman and chief executive officer	HK\$54,545,500	5.4546%	320,855 H Shares	0.0825%	0.0109%
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	HK\$27,272,700	2.7273%	160,427 H Shares	0.0413%	0.0054%
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	HK\$27,272,700	2.7273%	160,427 H Shares	0.0413%	0.0054%
Dr. Minzhang Chen	Vice president	HK\$18,181,800	1.8182%	106,951 H Shares	0.0275%	0.0036%
Dr. Shuhui Chen	Vice president	HK\$18,181,800	1.8182%	106,951 H Shares	0.0275%	0.0036%
Mr. Zhaohui Zhang	Executive Director, vice president	HK\$18,181,800	1.8182%	106,951 H Shares	0.0275%	0.0036%
Dr. Ning Zhao	Executive Director, vice president	HK\$12,121,200	1.2121%	71,301 H Shares	0.0183%	0.0024%
Mr. Ellis Bih-Hsin Chu	Chief financial officer	HK\$12,121,200	1.2121%	71,301 H Shares	0.0183%	0.0024%
Mr. Guodong Tong	President of principal subsidiaries of the Company	HK\$12,121,200	1.2121%	71,301 H Shares	0.0183%	0.0024%
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	HK\$6,060,600	0.6061%	35,650 H Shares	0.0092%	0.0012%
Ms. Wendy J. Hu*	Senior director of human resources	HK\$2,693,600	0.2694%	15,844 H Shares	0.0041%	0.0005%
Mr. Harry Liang He	Chairman of the Supervisory Committee	HK\$4,040,400	0.4040%	23,767 H Shares	0.0061%	0.0008%
Ms. Minfang Zhu	Employee representative Supervisor	HK\$1,346,800	0.1347%	7,922 H Shares	0.0020%	0.0003%
Sub-total		HK\$214,141,300	21.4141%	1,259,648 H Shares	0.3239%	0.0427%

Name of SAI connected Selected Participants	Position	Maximum value of the SAI Award	Approximate percentage to the monetary value of the Second SAI Award Pool	Maximum number of the SAI Award Shares underlying the SAI Award (for illustrative purpose only)	Approximate percentage to the total number of H Shares as at the date of this announcement (for illustrative purpose only)	Approximate percentage to the total issued share capital of the Company as at the date of this announcement (for illustrative purpose only)
<i>Second SAI Award Pool</i>						
Dr. Ge Li	Executive Director, chairman and chief executive officer	HK\$81,818,200	5.4545%	437,530 H Shares	0.1125%	0.0148%
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	HK\$40,909,100	2.7273%	218,765 H Shares	0.0563%	0.0074%
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	HK\$40,909,100	2.7273%	218,765 H Shares	0.0563%	0.0074%
Dr. Minzhang Chen	Vice president	HK\$27,272,700	1.8182%	145,843 H Shares	0.0375%	0.0049%
Dr. Shuhui Chen	Vice president	HK\$27,272,700	1.8182%	145,843 H Shares	0.0375%	0.0049%
Mr. Zhaohui Zhang	Executive Director, vice president	HK\$27,272,700	1.8182%	145,843 H Shares	0.0375%	0.0049%
Dr. Ning Zhao	Executive Director, vice president	HK\$18,181,800	1.2121%	97,228 H Shares	0.0250%	0.0033%
Mr. Ellis Bih-Hsin Chu	Chief financial officer	HK\$18,181,800	1.2121%	97,228 H Shares	0.0250%	0.0033%
Mr. Guodong Tong	President of principal subsidiaries of the Company	HK\$18,181,800	1.2121%	97,228 H Shares	0.0250%	0.0033%
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	HK\$9,090,900	0.6061%	48,614 H Shares	0.0125%	0.0016%
Ms. Wendy J. Hu*	Senior director of human resources	HK\$4,040,400	0.2694%	21,606 H Shares	0.0056%	0.0007%
Mr. Harry Liang He	Chairman of the Supervisory Committee	HK\$6,060,600	0.4040%	32,409 H Shares	0.0083%	0.0011%
Ms. Minfang Zhu	Employee representative Supervisor	HK\$2,020,200	0.1347%	10,803 H Shares	0.0028%	0.0004%
Sub-total		HK\$321,212,000	21.4141%	1,717,705 H Shares	0.4417%	0.0582%

Name of SAI connected Selected Participants	Position	Maximum value of the SAI Award	Approximate percentage to the monetary value of the Third SAI Award Pool	Maximum number of the SAI Award Shares underlying the SAI Award (for illustrative purpose only)	Approximate percentage to the total number of H Shares as at the date of this announcement (for illustrative purpose only)	Approximate percentage to the total issued share capital of the Company as at the date of this announcement (for illustrative purpose only)
<i>Third SAI Award Pool</i>						
Dr. Ge Li	Executive Director, chairman and chief executive officer	HK\$109,090,900	5.4545%	534,759 H Shares	0.1375%	0.0181%
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	HK\$54,545,500	2.7273%	267,379 H Shares	0.0688%	0.0091%
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	HK\$54,545,500	2.7273%	267,379 H Shares	0.0688%	0.0091%
Dr. Minzhang Chen	Vice president	HK\$36,363,600	1.8182%	178,252 H Shares	0.0458%	0.0060%
Dr. Shuhui Chen	Vice president	HK\$36,363,600	1.8182%	178,252 H Shares	0.0458%	0.0060%
Mr. Zhaohui Zhang	Executive Director, vice president	HK\$36,363,600	1.8182%	178,252 H Shares	0.0458%	0.0060%
Dr. Ning Zhao	Executive Director, vice president	HK\$24,242,400	1.2121%	118,835 H Shares	0.0306%	0.0040%
Mr. Ellis Bih-Hsin Chu	Chief financial officer	HK\$24,242,400	1.2121%	118,835 H Shares	0.0306%	0.0040%
Mr. Guodong Tong	President of principal subsidiaries of the Company	HK\$24,242,400	1.2121%	118,835 H Shares	0.0306%	0.0040%
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	HK\$12,121,200	0.6061%	59,417 H Shares	0.0153%	0.0020%
Ms. Wendy J. Hu*	Senior director of human resources	HK\$5,387,200	0.2694%	26,407 H Shares	0.0068%	0.0009%
Mr. Harry Liang He	Chairman of the Supervisory Committee	HK\$8,080,800	0.4040%	39,611 H Shares	0.0102%	0.0013%
Ms. Minfang Zhu	Employee representative Supervisor	HK\$2,693,600	0.1347%	13,203 H Shares	0.0034%	0.0004%
Sub-total		HK\$428,282,700	21.4141%	2,099,416 H Shares	0.5399%	0.0711%

Name of SAI connected Selected Participants	Position	Maximum value of the SAI Award	Approximate percentage to the monetary value of the Fourth SAI Award Pool	Maximum number of the SAI Award Shares underlying the SAI Award (for illustrative purpose only)	Approximate percentage to the total number of H Shares as at the date of this announcement (for illustrative purpose only)	Approximate percentage to the total issued share capital of the Company as at the date of this announcement (for illustrative purpose only)
<i>Fourth SAI Award Pool</i>						
Dr. Ge Li	Executive Director, chairman and chief executive officer	HK\$163,636,400	5.4545%	687,547 H Shares	0.1768%	0.0233%
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	HK\$81,818,200	2.7273%	343,773 H Shares	0.0884%	0.0116%
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	HK\$81,818,200	2.7273%	343,773 H Shares	0.0884%	0.0116%
Dr. Minzhang Chen	Vice president	HK\$54,545,500	1.8182%	229,182 H Shares	0.0589%	0.0078%
Dr. Shuhui Chen	Vice president	HK\$54,545,500	1.8182%	229,182 H Shares	0.0589%	0.0078%
Mr. Zhaohui Zhang	Executive Director, vice president	HK\$54,545,500	1.8182%	229,182 H Shares	0.0589%	0.0078%
Dr. Ning Zhao	Executive Director, vice president	HK\$36,363,600	1.2121%	152,788 H Shares	0.0393%	0.0052%
Mr. Ellis Bih-Hsin Chu	Chief financial officer	HK\$36,363,600	1.2121%	152,788 H Shares	0.0393%	0.0052%
Mr. Guodong Tong	President of principal subsidiaries of the Company	HK\$36,363,600	1.2121%	152,788 H Shares	0.0393%	0.0052%
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	HK\$18,181,800	0.6061%	76,394 H Shares	0.0196%	0.0026%
Ms. Wendy J. Hu*	Senior director of human resources	HK\$8,080,800	0.2694%	33,952 H Shares	0.0087%	0.0011%
Mr. Harry Liang He	Chairman of the Supervisory Committee	HK\$12,121,200	0.4040%	50,929 H Shares	0.0131%	0.0017%
Ms. Minfang Zhu	Employee representative Supervisor	HK\$4,040,400	0.1347%	16,976 H Shares	0.0044%	0.0006%
Sub-total		HK\$642,424,300	21.4141%	2,699,254 H Shares	0.6941%	0.0914%
Total		HK\$1,606,060,300		7,776,023 H Shares	1.9996%	0.2634%

*Note 1:* Calculated for illustrative purpose based on the target closing price of the H Shares of the Company for the relevant milestone corresponding to the particular SAI Award Pool.

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

The actual number of SAI Award Shares underlying the SAI Awards granted under each of the SAI Award Pools shall be fixed and further notified on the time of grant based on the number of SAI Award Shares that the SAI Trustee will acquire through on-market transactions from time to time at prevailing market price and apportion to the corresponding value of the relevant SAI Award based on the volume-weighted average price at which the Trustee will have acquired such SAI Award Shares pursuant to the 2021 Shareholder Alignment Incentive H Share Scheme utilizing the funds in the monetary value of the particular SAI Award Pool provided by the Company.

Five of the SAI 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 2021 Shareholder Alignment Incentive H Share Scheme and abstained from voting on the relevant board resolutions in relation to the 2021 Shareholder Alignment Incentive H Share 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 2021 Shareholder Alignment Incentive H Share 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 SAI Award Shares, for the black-out period as stipulated under Appendix 10 to the Listing Rules.

## **VI. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE SAI DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME**

In order to ensure the successful implementation of the 2021 Shareholder Alignment Incentive H Share Scheme, the Board proposed that, subject to the approval of the 2021 Shareholder Alignment Incentive H Share Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme with full authority, including but not limited to:

- (i) to determine the terms and conditions of the grant of SAI Awards, determine the release of the SAI Award Pools, approve the form and content of the SAI Award Letter, select SAI Eligible Employees to become SAI Selected Participants, and grant SAI Awards under any of the SAI Award Pools to SAI Selected Participants from time to time;
- (ii) to determine the monetary value of the SAI Award Pools, the number of SAI Award Shares, the SAI Grant Date and the Vesting Date of SAI Award Shares;



- (iii) to administer, amend and adjust the 2021 Shareholder Alignment Incentive H Share Scheme, including but not limited to adjusting any of the SAI Scheme Limits, adjusting the number of outstanding SAI Award Shares or accelerate the SAI Vesting Dates of any SAI Awards granted under any of the SAI Award Pools (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 establish the SAI Management Committee for the purpose of the 2021 Shareholder Alignment Incentive H Share Scheme;
- (v) 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 2021 Shareholder Alignment Incentive H Share Scheme;
- (vi) to sign, execute, amend and terminate all agreements and other relevant documents in connection with the 2021 Shareholder Alignment Incentive H Share Scheme, fulfill all relevant procedures in relation to the 2021 Shareholder Alignment Incentive H Share Scheme, and adopt other methods to implement the terms of the 2021 Shareholder Alignment Incentive H Share Scheme;
- (vii) to determine and adjust the standards and conditions of the vesting of the SAI Awards granted under any of the SAI Award Pools as well as the SAI Vesting Periods, evaluate and manage the performance indicators, and to determine whether SAI Awards granted under any of the SAI Award Pools to the SAI Selected Participants can be vested, and to delegate such authorization to the SAI Management Committee;
- (viii) to determine the execution, amendment and termination of the 2021 Shareholder Alignment Incentive H Share Scheme, including the forfeiture of SAI Awards granted under any of the SAI Award Pools and continued vesting of SAI Award Shares upon the changes in circumstances pertaining to the SAI Selected Participants;
- (ix) to construe and interpret the 2021 Shareholder Alignment Incentive H Share Scheme Rules and to resolve any issues and disputes arising from or in connection with the 2021 Shareholder Alignment Incentive H Share Scheme;
- (x) to exercise any other authorizations in relation to matters necessary to the implementation of the 2021 Shareholder Alignment Incentive H Share Scheme granted by the Shareholders' meeting from time to time;

- (xi) (a) to enter into the SAI Trust Deed on behalf of the Company with the SAI Trustee, pursuant to which the SAI Trustee will provide trust services for the 2021 Shareholder Alignment Incentive H Share Scheme; (b) 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 2021 Shareholder Alignment Incentive H Share Scheme; and (c) 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 SAI Selected Participants of the 2021 Shareholder Alignment Incentive H Share Scheme by Computershare Hong Kong Investor Services Limited;
- (xii) to, during the validity period of such authorization, delegate its authority to administer the 2021 Shareholder Alignment Incentive H Share Scheme to the SAI Management Committee formed by individuals including the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman and Global Chief Investment Officer Mr. Edward Hu, the co-Chief Executive Officer Dr. Steve Qing Yang, the vice president Dr. Minzhang Chen, the vice president Dr. Ning Zhao, 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 2021 Shareholder Alignment Incentive H Share Scheme with full authority, including but not limited to:
- (a) matters in relation to the 2021 Shareholder Alignment Incentive H Share 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 2021 Shareholder Alignment Incentive H Share Scheme, or providing instructions to the SAI 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 SAI Award Shares for the purpose of the vesting of the SAI Awards granted under any of the SAI Award Pools, or the sale of SAI Award Shares on-market at the prevailing market price and pay the proceeds arising from such sale to SAI Selected Participants, or directing and procuring the SAI Trustee to release the SAI Award Shares to the SAI Selected Participants by transferring the SAI Award Shares to the Shareholder Alignment Incentive Selected Participants as determined by them from time to time, and confirming, allowing and approving all preceding matters arising from or in relation to the SAI 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 SAI Delegatee shall be valid for the SAI Award Period.

## **VII. 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.

## **VIII. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE 2021 SCHEME AND THE GRANT OF AWARDS TO CONNECTED SELECTED PARTICIPANTS**

Please refer the section headed “I. Proposed Adoption of The 2021 H Share Award and Trust Scheme — Purposes of the 2021 Scheme” in this announcement. The Directors are of the view that the adoption of the 2021 Scheme will realize the aforesaid goals, and that the terms and conditions of the 2021 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.

## **IX. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME AND THE GRANT OF SAI AWARDS TO THE SAI CONNECTED SELECTED PARTICIPANTS**

Please refer the section headed “IV. Proposed Adoption of the 2021 Shareholder Alignment Incentive H Share Scheme — Purposes of the 2021 Shareholder Alignment Incentive H Share Scheme” in this Announcement. The Directors are of the view that the adoption of the 2021 Shareholder Alignment Incentive H Share Scheme and having the H Share price performance indicators as conditions for the grant of the SAI Awards will realize the aforesaid goals, and that the terms and conditions of the 2021 Shareholder Alignment Incentive H Share Scheme are 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 SAI Awards to the SAI Connected Selected Participants, the Directors, having considered the contribution of the SAI Connected Selected Participants to the Company and the aforesaid goals, are of the view that the grant of SAI Awards to the SAI Connected Selected Participants is a transaction entered into on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **X. IMPLICATIONS OF THE 2021 SCHEME UNDER THE LISTING RULES**

The 2021 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.

Although 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, and each of the Connected Selected Participants is as such a connected person of the Company pursuant to Chapter 14A of the Listing Rules, the grant of Awards to the Connected Selected Participants does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules as the source of the Award Shares under the 2021 Scheme shall be H Shares to be acquired by the Trustee through on-market transactions and no allotment and issuance of new H Shares is involved as abovementioned. Nevertheless, the Board determined that the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme shall be subject to approval by the Shareholders to further promote a high standard of corporate governance. As such, an ordinary resolution will be proposed at the EGM for the Shareholders to consider and approve the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme as a whole.

## **XI. IMPLICATIONS OF THE 2021 SHAREHOLDER ALIGNMENT INCENTIVE H SHARE SCHEME UNDER THE LISTING RULES**

The 2021 Shareholder Alignment Incentive H Share 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.

Although each of the SAI 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, and each of the SAI Connected Selected Participants is as such a connected person of the Company pursuant to Chapter 14A of the Listing Rules, the grant of SAI Awards to the SAI Connected Selected Participants does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules as the source of the SAI Award Shares under the 2021 Shareholder Alignment Incentive H Share Scheme shall be H Shares to be acquired by the SAI Trustee through on-market transactions and no allotment and issuance of new H Shares is involved as abovementioned. Nevertheless, the Board determined that the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme shall be subject to approval by the Shareholders to further promote a high standard of corporate governance. As such, an ordinary resolution will be proposed at the EGM for the Shareholders to consider and approve the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme as a whole.

## **XII. EGM**

The EGM will be convened to consider and, if thought fit, approve, among other things, the (i) the proposed adoption of the 2021 Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme; (iv) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (v) the proposed grant of Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (vi) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme.

The Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolutions in respect of (i) the proposed adoption of the 2021 H Share Award and Trust Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme. The Connected Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolution in respect of the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme and its related matters. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the other Shareholders has a material interest in (i) the proposed adoption of the 2021 Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme and is required to abstain from voting on such resolutions.

The SAI Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolutions in respect of (i) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (ii) the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (iii) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme. The SAI Connected Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolution in respect of the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme and its related matters. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the other Shareholders has a material interest in (i) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (ii) the proposed grant of SAI Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (iii) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme and is required to abstain from voting on such resolutions.



## DEFINITIONS

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

“2021 H Share Award and Trust Scheme” or “2021 Scheme”	the 2021 H Share award and trust scheme proposed to be adopted by the Company in accordance with the 2021 Scheme Rules
“2021 Scheme Rules”	the rules governing the operation of the 2021 Scheme as well as the implementation procedures (as amended from time to time)
“2021 Shareholder Alignment Incentive H Share Scheme” or “SAI”	the 2021 Shareholder Alignment Incentive H Share Scheme proposed to be adopted by the Company in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules
“2021 Shareholder Alignment Incentive H Share Scheme Rules”	the rules governing the operation of the 2021 Shareholder Alignment Incentive H Share Scheme as well as the implementation procedures (as amended from time to time)
“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, stamp duty, any taxes, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the 2021 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 2021 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 2021 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 2021 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, being Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Shuhui Chen, Dr. Minzhang Chen, Dr. Ning Zhao, Mr. Guodong Tong, Mr. Ellis Bih-Hsin Chu, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He and Ms. Minfang Zhu
“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, if thought fit, approve, among other things, (i) the proposed adoption of the 2021 Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2021 Scheme; (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2021 Scheme; (iv) the proposed adoption of the 2021 Shareholder Alignment Incentive H Share Scheme; (v) the proposed grant of Awards to the SAI Connected Selected Participants under the 2021 Shareholder Alignment Incentive H Share Scheme; and (vi) the proposed authorization to the Board and/or the SAI Delegatee to handle matters pertaining to the 2021 Shareholder Alignment Incentive H Share 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, and whose performance appraisal results for the most recent two consecutive years are A-or above for any one year and B (excluding B-) or above for the other year; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2021 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 2021 Scheme and such individual shall therefore be excluded from the term Eligible Employee
“employee”	an employee who has entered into a formal employment contract with the relevant member of the Group
“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(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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Committee”	the management committee of the 2021 Scheme, comprising the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman and Global Chief Investment Officer Mr. Edward Hu, the co-Chief Executive Officer Dr. Steve Qing Yang, the vice president Dr. Minzhang Chen, the vice president Dr. Ning Zhao, and the person-in-charge of the human resources department, financial department and legal department of the Company, to whom the Board will delegate its authority to administer the 2021 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 2021 Scheme, or such H Shares being deemed to be Returned Shares under the 2021 Scheme Rules
“RMB”	Renminbi, the lawful currency of the PRC

“SAI Award”	an award granted by the Board to a SAI Selected Participant under any of the SAI Award Pools which may vest in the form of SAI Award Shares or the Actual Selling Price of the SAI Award Shares in cash, as the Board may determine in accordance with the terms of the 2021 Shareholder Alignment Incentive H Share Scheme Rules
“SAI Award Letter”	a letter issued by the Company to each SAI Selected Participant in such form as the Board or the SAI Delegatee may from time to time determine, specifying the SAI Grant Date, the manner of acceptance of the SAI Award, the value of the SAI Award and/or number of SAI Award Shares underlying the SAI Award granted under any of the SAI Award Pools (with the basis on which the number of SAI Award Shares underlying the SAI Award is arrived at), the vesting criteria and conditions, and the SAI Vesting Date and such other details, terms and conditions as they may consider necessary and in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme
“SAI Award Period”	the period commencing on the date on which the Shareholders approved the 2021 Shareholder Alignment Incentive H Share Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2021 Shareholder Alignment Incentive H Share Award Scheme
“SAI Award Pools”	the four (4) award pools under the 2021 Shareholder Alignment Incentive H Share Scheme with monetary values of HK\$1 billion, HK\$1.5 billion, HK\$2 billion and HK\$3 billion, respectively, which may be released upon the fulfilment of relevant release conditions for the grant of SAI Awards to the SAI Selected Participants under these award pools
“SAI Award Shares”	the H Shares granted to a SAI Selected Participant in a SAI Award granted under any of the SAI Award Pools
“SAI Connected Selected Participants”	SAI Selected Participants who are connected persons of the Group, being Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Shuhui Chen, Dr. Minzhang Chen, Dr. Ning Zhao, Mr. Guodong Tong, Mr. Ellis Bih-Hsin Chu, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He and Ms. Minfang Zhu

“SAI Delegatee”	the SAI Management Committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme
“SAI Eligible Employees”	any individual, being any individual, being an executive Director, a supervisor who is an employee of the Company, senior management member, and personnel at the grade of director or above that made high performance contributions and are critical company middle to senior management personnel, who is a full-time PRC or non-PRC employee of any members of the Group, and whose performance appraisal results for the most recent two consecutive years are A-or above for any one year and B (excluding B-) or above for the other year; however, no individual who is resident in a place where the grant, acceptance or vesting of an SAI Award pursuant to the 2021 Shareholder Alignment Incentive H Share Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the SAI 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 2021 Shareholder Alignment Incentive H Share Scheme and such individual shall therefore be excluded from the scope of SAI Eligible Employees
“SAI Grant Date”	the date on which the grant of a SAI Award under any of the SAI Award Pools is made to a SAI Selected Participant, being the date of a SAI Award Letter
“SAI Management Committee”	the management committee of the 2021 Shareholder Alignment Incentive H Share Scheme, comprising the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman and Global Chief Investment Officer Mr. Edward Hu, the co-Chief Executive Officer Dr. Steve Qing Yang, the vice president Dr. Minzhang Chen, the vice president Dr. Ning Zhao, and the person-in-charge of the human resources department, financial department and legal department of the Company, to whom the Board will delegate its authority to administer the 2021 Shareholder Alignment Incentive H Share Scheme



“SAI Returned Shares”	such SAI Award Shares that are not vested and/or are forfeited in accordance with the terms of the 2021 Shareholder Alignment Incentive H Share Scheme Rules, or such H Shares being deemed to be SAI Returned Shares under the 2021 Shareholder Alignment Incentive H Share Scheme Rules
“SAI Scheme Limits”	means the maximum size of each of the SAI Award Pools under the 2021 Shareholder Alignment Incentive H Shares Scheme, being the maximum number of H Shares that will be acquired by the SAI Trustee through on-market transactions from time to time at prevailing market price with funds to be provided by the Company in the amount of the monetary value of each of the four (4) SAI Award Pools, being HK\$1 billion, HK\$1.5 billion, HK\$2 billion and HK\$3 billion, respectively
“SAI Selected Participant”	any SAI Eligible Employee who is approved for participation in the 2021 Shareholder Alignment Incentive H Share Scheme and has been granted any SAI Award under any of the SAI Award Pools in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules
“SAI Trust”	the trust constituted by the SAI Trust Deed to service the 2021 Shareholder Alignment Incentive H Share Scheme
“SAI Trustee”	the trustee appointed by the Company for the purpose of the SAI 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
“SAI Trust Deed”	the trust deed to be entered into between the Company and the SAI Trustee (as may be restated, supplemented and amended from time to time)
“SAI Vesting Date”	the date or dates, as determined from time to time by the Board or the SAI Delegatee on which the SAI Award granted under any of the SAI Award Pools (or part thereof) is to vest in the relevant SAI Selected Participant, unless a different SAI Vesting Date is deemed to occur in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules

“SAI Vesting Period(s)”	the vesting period(s) of the SAI Awards granted under the 2021 Shareholder Alignment Incentive H Share Scheme
“Scheme Limit”	means the maximum size of the 2021 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\$2 billion
“Selected Participant(s)”	any Eligible Employee who is approved for participation in the 2021 Scheme and has been granted any Award in accordance with the 2021 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 2021 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 2021 Scheme Rules
“Vesting Period(s)”	the vesting period(s) of the Awards granted under the 2021 Scheme
“%”	percent

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

Hong Kong, August 2, 2021

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

\* *For identification purposes only*