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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)**

## **PROPOSED ISSUANCE OF H SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on May 16, 2022, it has approved the Proposed Issuance of H Shares under the General Mandate granted at the 2021 AGM pursuant to which the Company will issue not more than 78,434,254 New H Shares. Details of the Proposed Issuance of H Shares are as follows:

### **(1) Reasons for the Proposed Issuance of H Shares**

Reference is made to the circular of the Company dated March 31, 2022 in relation to, among other things, the proposed granting of the General Mandate to issue A Shares and/or H Shares of the Company. To address the Company's needs in business development, consolidate its leading position in the field of pharmaceutical R&D services and further enhance its capital to seize market opportunities, the Board and the senior management of the Company consider that the Proposed Issuance of H Shares is highly beneficial to the Company, and in particular, for the following reasons:

- (i) It will provide the Company with additional capital to continue to expand the Company's capacities and capabilities globally and strengthen its industry leadership as a globally-enabled service platform.
  - (a) The global pharmaceutical R&D and manufacturing service market is expected to maintain rapid growth in the foreseeable future, driven by increasing R&D outsourcing penetration of large pharmaceutical companies and increasing demand from small and medium biotechnology companies. The Company's capacity utilization has been increasing rapidly. Amid the surge in global demand and the strong business outlook for its CRDMO services, the Company is committed to continuing to invest and expand its capacities and capabilities globally;

- (b) To provide customers globally with supply chain reliability, the Company is strategically investing in its localized capacity and capabilities in the United States, Europe and Singapore. The Company believes that such investments would enhance its core competitiveness, provide customers better services globally and fuel its future growth; and
- (ii) Through the implementation of the Proposed Issuance of H Shares, the Company will continue to optimize its capital structure and repay indebtedness using a portion of the net proceeds, as well as reduce its financial costs through deleveraging.

The Board is of the opinion that the Proposed Issuance of H Shares is in the interests of the Company and the Shareholders as a whole.

**(2) Issuance proposal for the Proposed Issuance of H Shares under the General Mandate**

Reference is made to the overseas regulatory announcement published by the Company dated May 16, 2022 in relation to, among others, the Board's approval for the issuance proposal for the Proposed Issuance of H Shares under the General Mandate. The key terms of the Proposed Issuance of H Shares are as follows:

**(1) *Type and nominal value of shares to be issued***

The H Shares to be issued under the Proposed Issuance of H Shares are overseas-listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each. The New H Shares will rank pari passu in all respects with the issued H Shares when fully paid.

**(2) *Time of issuance***

The Company will select an appropriate time and window within the validity period of the relevant resolution passed at the 2021 AGM and the Board Meeting to proceed with the Proposed Issuance of H Shares, which will be determined by the Board with reference to the international capital market conditions, as well as the status of review of the Company's application for the relevant approvals by the PRC (if applicable) and overseas administrative and/or regulatory authorities.

**(3) *Method of issuance***

The Proposed Issuance of H Shares will be carried out by way of placing.

The Company will appoint the placing agents for the Proposed Issuance of H Shares when appropriate. Details of the transaction (including the placing price and underwriting arrangement) are yet to be finalized and will be included in the formal placing agreement to be signed among the Company and the placing agents.

**(4) *Target placees***

It is proposed that there shall not be less than six (6) placees of the Proposed Issuance of H Shares being either (i) qualified offshore investors who will be independent of and not connected with any director, supervisor, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates; or (ii) qualified onshore investors who are entitled to engage in offshore securities investment pursuant to the relevant laws and regulations of the PRC and who will be independent of and not connected with any director, supervisor, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates.

**(5) *Pricing mechanism***

The New H Shares will be issued at a price to be determined through ordering and book building by the Board after taking into account the interests of existing Shareholders, investors' acceptance capabilities and the issuance risks, as well as the market practice and applicable regulatory requirements, and with reference to the capital market conditions and the valuations of comparable companies at the time when the Company issues the New H Shares, provided that the issue price shall comply with the then applicable PRC laws and regulations as well as the listing rules of the stock exchange on which the shares of the Company are listed.

**(6) *Size of issuance***

The Company will issue under the General Mandate not more than 78,434,254 New H Shares, representing not more than 20% of the total issued H Shares of the Company as at the date of the 2021 AGM (i.e. May 6, 2022) at which the resolution in relation to the granting of the General Mandate to issue A Shares and/or H Shares was considered and approved.

The aforesaid maximum number of New H Shares is subject to the adjustment and approval of the CSRC (if applicable) and the Hong Kong Stock Exchange.

*(7) Use of proceeds*

The proceeds from the Proposed Issuance of H Shares, after deducting relevant costs and expenses, commission and levies, will be utilized in the following manner:

- (i) approximately 70% will be used for expansion of the Group's overseas operations, among which:
  - (a) approximately 35% will be used for expansion of the Group's overseas operations in the North American region;
  - (b) approximately 35% will be used for expansion of the Group's overseas operations in Asia and other regions;
- (ii) approximately 15% will be used for repaying bank loans and other borrowings; and
- (iii) the remainder shall be used to replenish the Group's working capital.

**(3) Conditions precedent of the Proposed Issuance of H Shares**

The Proposed Issuance of H Shares is subject to: (i) the entering into of the placing agreement between the Company and the placing agents and the placing agreement not being terminated in accordance with the terms therein; (ii) the approval of the Proposed Issuance of H Shares by the CSRC (as applicable) and/or other regulatory authorities (as required); and (iii) the Listing Committee of the Hong Kong Stock Exchange granting listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the Proposed Issuance of H Shares.

**Please note that the Proposed Issuance of H Shares shall be subject to the approval by the CSRC (as applicable) and/or other regulatory authorities as well as the satisfaction of a number of conditions which are more particularly set out above. There is no assurance that the Proposed Issuance of H Shares will proceed. Investors are advised to exercise caution when dealing in the H Shares or other securities of the Company. The Company will make timely disclosure on any matters in relation to further details of the Proposed Issuance of H Shares.**

## DEFINITIONS

“2021 AGM”	the annual general meeting of the Company held on Friday, May 6, 2022
“A Share(s)”	ordinary share(s) of the Company with nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company currently in force
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Board Meeting”	the meeting of the Board held on May 16, 2022
“Chairman”	the chairman of the Board
“Company”	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a joint stock limited company incorporated under the laws of the PRC
“CRDMO”	Contract Research Development and Manufacturing Organization
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“General Mandate”	an unconditional and general mandate granted to the Directors at the 2021 AGM to allot, issue or deal with additional A Shares and/or H Shares of not exceeding 20% of the total number of issued A Shares and/or H Shares as at the date of the 2021 AGM
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company, with nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“New H Shares”	the new H Shares to be issued upon the exercise of the General Mandate, the maximum number of which is 78,434,254 New H Shares, representing not more than 20% of the total issued H Shares of the Company as at the date of the 2021 AGM (i.e. May 6, 2022) in which the resolution in relation to the granting of the General Mandate to issue A Shares and/or H Shares was considered and approved
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Issuance of H Shares”	the proposed issuance of the New H Shares under the General Mandate by the Company to specific subscribers
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	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)”	holder(s) of Share(s)
“%”	per cent

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

Hong Kong, May 16, 2022

*As of the date of this announcement, the Board of the Company comprises Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, 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 purpose only