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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)

**CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS
OF EQUITY INTEREST IN STA FROM CONNECTED VENDORS**

Reference is made to the announcements of the Company dated March 10, 2019, April 4, 2019, April 18, 2019, April 25, 2019, May 10, 2019 and June 25, 2019, in relation to the Delisting. As disclosed in the Announcements, on April 17, 2019, the Board had resolved to acquire from the Connected Vendors their STA Shares. The shares of STA have been delisted from NEEQ on June 26, 2019.

**CONNECTED ACQUISITIONS OF EQUITY INTEREST IN STA FROM
CONNECTED VENDORS**

As of the date of this announcement, the Minority STA Shareholders include 7 connected persons of the Company holding an aggregate of 5,722,802 STA Shares, representing approximately 1.29% equity interest of STA. On July 2, 2019, WXAT Shanghai and each of the Connected Vendors executed an equity transfer agreement in respect of the Connected Acquisitions.

LISTING RULES IMPLICATIONS

As of the date of this announcement, the Connected Vendors are (i) Dr. Ge Li who is a director and chief executive officer of the Company and a director of STA; (ii) Mr. Edward Hu who is a director and co-chief executive officer of the Company and a director of STA; (iii) Mr. Xiaozhong Liu who is a director of the Company and STA; (iv) Mr. Zhaohui Zhang who is a director of the Company and STA; (v) Mr. Minzhang Chen who is a director and chief executive officer of STA; (vi) Mr. Harry Liang He who is a supervisor of the Company and STA; and (vii) Ms. Xiangli Liu who is a supervisor of STA. Therefore, the Connected Acquisitions constitute connected transactions of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Connected Acquisitions have been aggregated. Since more than one of the applicable percentage ratios (as defined in the Listing Rules) for the aggregate consideration of the Connected Acquisitions exceed 0.1% but none of the applicable percentage ratios reaches 5%, the Connected Acquisitions are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated March 10, 2019, April 4, 2019, April 18, 2019, April 25, 2019, May 10, 2019 and June 25, 2019, in relation to the delisting of STA from NEEQ (the “**Delisting**”) (the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, on April 17, 2019, the Board had resolved to acquire from the Connected Vendors their STA Shares (the “**Connected Acquisitions**”). The shares of STA have been delisted from NEEQ on June 26, 2019.

ACQUISITIONS OF EQUITY INTEREST IN STA FROM CONNECTED VENDORS

As of the date of this announcement, the Minority STA Shareholders include 7 connected persons of the Company holding an aggregate of 5,722,802 STA Shares, representing approximately 1.29% equity interest of STA. On July 2, 2019, WXAT Shanghai and each of the Connected Vendors executed an equity transfer agreement in respect of the Connected Acquisitions, the principal terms of which are set out below:-

Date

July 2, 2019

Parties

- (a) WXAT Shanghai, as purchaser; and
- (b) Connected Vendors, as vendors.

Assets to be Acquired

A total of 5,722,802 STA Shares, representing approximately 1.29% equity interest of STA, from the Connected Vendors:-

- (a) 2,967,000 STA Shares from Dr. Ge Li;
- (b) 114,453 STA Shares from Mr. Edward Hu;
- (c) 1,256,028 STA Shares from Mr. Xiaozhong Liu;
- (d) 912,561 STA Shares from Mr. Zhaohui Zhang;
- (e) 126,149 STA Shares from Mr. Minzhang Chen;
- (f) 103,206 STA Shares from Mr. Harry Liang He; and
- (g) 243,405 STA Shares from Ms. Xiangli Liu.

The Connected Vendors undertake that in relation to their respective STA Shares, there is no pledge or other security interest and there is no right that any third party can claim.

Consideration and Payment Terms

The basis of the consideration in the Connected Acquisitions is in line with the offers extended to all other minority shareholders under the Proposed Acquisitions. For details of the pricing policy, please refer to the paragraph headed “(1) Undertaking to Acquire Equity Interest in STA relating to the Proposed Delisting” in the announcement of the Company dated April 18, 2019. Based on such pricing policy, the consideration shall be RMB48 per STA Share. Accordingly, the consideration payable would amount to an aggregate of RMB274.69 million. WXAT Shanghai shall withhold and pay the income tax payable by the Connected Vendors arising from the Connected Acquisitions on their behalf, and will pay the consideration in cash after deducting the aforementioned income tax to the bank accounts designated by the Connected Vendors.

Breach of Agreement

If the statements or undertakings made by any of the parties under the equity transfer agreements is false or erroneous, or have not been properly and timely fulfilled, such party shall be deemed as in breach of the agreement. Failure of either party to perform any of their commitments or obligations would also constitute breach of the agreement. The defaulting party, in addition to fulfilling the other obligations stipulated in the agreement, shall also compensate the non-defaulting party for liquidated damages not exceeding 20% of the consideration and all losses incurred by the non-defaulting party as a result of the default.

Completion

For Connected Vendors who are directors, supervisors or senior management of STA, unless STA is converted into a limited company after the Delisting or these Connected Vendors have ceased to be the directors, supervisors or senior management of STA for over six months, the completion of the STA Shares under transfer shall comply with the PRC Company Law applicable to joint stock companies, and their STA Shares shall only be settled in stages accordingly.

REASONS FOR AND BENEFITS OF THE CONNECTED ACQUISITIONS

The Connected Acquisitions, as part of the Proposed Acquisitions, are made to cater to the interests of the Minority STA Shareholders in light of the Delisting and offer them an opportunity to exit at a fair and reasonable price which is no less than their historical acquisition costs. The Directors believe that the Delisting would allow STA to focus on long-term development strategy and enhance operational efficiency, and save unnecessary administrative and other listing-related costs and expenses. The Company will continue to promote the capacity and scale of the “integrated, end-to-end” open research and development platform covering the industry chain of discovery, development and production of small molecule drugs.

The Directors (including the independent non-executive Directors) consider that the terms of the Connected Acquisitions are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Dr. Ge Li, Mr. Edward Hu, Mr. Xiaozhong Liu and Mr. Zhaohui Zhang, being the Connected Vendors, together with Dr. Ning Zhao, the spouse of Dr. Ge Li, were considered as having material interest in the Connected Acquisitions and had abstained from voting on the board resolutions of the Company approving the Connected Acquisitions.

INFORMATION ON THE GROUP AND STA

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

STA is a majority owned subsidiary of the Company. STA is a company incorporated in the PRC principally engaged in contract development and manufacturing services in relation to small molecular drugs.

FINANCIAL INFORMATION OF STA

The consolidated financial information of STA prepared based on the Auditing Standards for Certificated Public Accountants of China (中國註冊會計師審計準則) for the two financial years ended December 31, 2017 and December 31, 2018 is set out below:

	For the year ended December 31, 2017 (RMB)	For the year ended December 31, 2018 (RMB)
Net profit before tax and extraordinary items	572,718,295.63	712,786,891.40
Net profit after tax and extraordinary items	456,251,863.94	608,425,858.78

As at December 31, 2018, the net asset value of STA is RMB3,552,376,373.29.

The 5,722,802 STA Shares held by the Connected Vendors were originally acquired at an aggregate cost of approximately RMB49.67 million.

LISTING RULES IMPLICATIONS

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Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Connected Acquisitions have been aggregated. Since more than one of the applicable percentage ratios (as defined in the Listing Rules) for the aggregate consideration of the Connected Acquisitions exceed 0.1% but none of the applicable percentage ratios reaches 5%, the Connected Acquisitions are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, July 2, 2019

As of the date of this announcement, the Board of the Company comprises Dr. Ge Li, Mr. Edward Hu, Mr. Xiaozhong Liu, 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*