

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**FULFILLMENT OF EXERCISE CONDITIONS
FOR THIRD EXERCISABLE PERIOD OF SHARE
APPRECIATION RIGHTS GRANTED UNDER
THE 2019 SHARE APPRECIATION SCHEME**

References are made to (i) the announcement of WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司) (the “**Company**”) dated July 19, 2019; (ii) the circular of the Company dated August 5, 2019 (the “**EGM Circular**”); (iii) the poll results announcement of the Company dated September 20, 2019; and (iv) the announcements of the Company dated September 30, 2019, June 10, 2020 and June 25, 2021, in relation to, among other things, the fulfillment of exercise conditions for the first and second exercisable periods of Share Appreciation Rights granted under the 2019 Share Appreciation Scheme. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the EGM Circular.

INTRODUCTION

On June 27, 2022, the Board considered and approved the resolutions in relation to, among other things, the fulfilment of the exercise conditions for the third exercisable period of the Share Appreciation Rights granted under the 2019 Share Appreciation Scheme.

FULFILLMENT OF EXERCISE CONDITIONS FOR THIRD EXERCISABLE PERIOD OF SHARE APPRECIATION RIGHTS GRANTED UNDER THE 2019 SHARE APPRECIATION SCHEME

The maturity of vesting schedule

Pursuant to the terms of the 2019 Share Appreciation Scheme, the vesting schedule in relation to the Share Appreciation Rights is as follows:

Exercise arrangements	Vesting schedule	Exercisable period	Exercise percentage
First batch of exercise	May 31, 2020	From June 1, 2020 to May 31, 2021 (the “ First Exercisable Period ”)	40%
Second batch of exercise	May 31, 2021	From June 1, 2021 to May 31, 2022 (the “ Second Exercisable Period ”)	30%
Third batch of exercise	May 31, 2022	From June 1, 2022 to May 31, 2023 (the “ Third Exercisable Period ”)	30%

The vesting schedule for the third batch of exercise of the Share Appreciation Rights granted under the 2019 Share Appreciation Scheme has matured.

The fulfillment of exercise conditions

Pursuant to the terms of the 2019 Share Appreciation Scheme, the Share Appreciation Rights granted to the Incentive Participants shall become exercisable upon satisfaction of all of the following conditions:

1. None of the following circumstances has occurred to the Company immediately prior to the commencement of the Third Exercisable Period:

- (i) a certified public accountant gives a negative opinion or indicates the inability to give an opinion in the financial and accounting report of the Company for the latest accounting year;

- (ii) a certified public accountant gives a negative opinion or indicates the inability to give an opinion on internal control in the financial report of the Company for the latest accounting year;
- (iii) the Company has distributed profit in violation of the laws and regulations, Articles of Associations or public undertakings within the most recent 36 months after listing;
- (iv) the implementation of the share incentive scheme is forbidden by the laws and regulations; and
- (v) other circumstances as determined by the CSRC.

2. *None of the following circumstances has occurred to the Incentive Participants which have been granted the Share Appreciation Rights under the 2019 Share Appreciation Scheme immediately prior to the commencement of the Third Exercisable Period:*

- (i) such Incentive Participant is deemed as an inappropriate candidate by the relevant stock exchange in the most recent 12 months;
- (ii) such Incentive Participant is deemed as an inappropriate candidate by the CSRC or its agency authorities in the most recent 12 months;
- (iii) such Incentive Participant has been imposed administrative penalties or is banned from the securities market by the CSRC or its agency authorities due to material non-compliance of laws and regulations in the most recent 12 months;
- (iv) occurrence of circumstances as stipulated in the PRC Company Law under which such Incentive Participant is prohibited from acting as a director or member of the senior management of a company;
- (v) such Incentive Participant is prohibited by the law from participating in share incentive scheme of listed companies; and
- (vi) other circumstances as determined by the CSRC.

Immediately prior to the commencement of the Third Unlocking Period, there are no circumstances which would prohibit the Share Appreciation Rights becoming exercisable.

3. *Performance appraisal for the Company*

Pursuant to the terms of the 2019 Share Appreciation Scheme, the following performance targets must be achieved by the Company in its annual performance appraisals for the Share Appreciation Rights to become exercisable:

Exercisable period	Performance targets
First Exercisable Period	The operating revenue of the Company for 2019 shall increase by no less than RMB1.5 billion as compared with 2018
Second Exercisable Period	The operating revenue of the Company for 2020 shall increase by no less than RMB3.0 billion as compared with 2018
Third Exercisable Period	The operating revenue of the Company for 2021 shall increase by no less than RMB4.5 billion as compared with 2018

The operating revenue of the Company for 2021 is RMB22,902,385,129.11, which has increased by approximately RMB13.289 billion as compared with that for 2018, and thus the performance target of the Company for the Third Exercisable Period has been achieved.

Note:

The “operating revenue” represents, the operating revenue as shown in the consolidated financial statements of the Company.

4. *Performance appraisal for Incentive Participants of the 2019 Share Appreciation Scheme*

In accordance with the Employee Performance Appraisal System (《員工績效考核制度》), the remuneration and appraisal committee of the Board shall conduct comprehensive appraisal of the Incentive Participants of the 2019 Share Appreciation Scheme and grade the results for each assessment year. The proportion of the Share Appreciation Rights that can become exercisable by the Incentive Participants shall be determined based on the appraisal results and in the following manner:

Number of Share Appreciation Rights vested to an Incentive Participant for the respective year = standard coefficient × the scheduled number of Share Appreciation exercisable by the Incentive Participant for the respective year. The standard coefficient shall be 100% if the assessment result of the Incentive Participant is satisfactory or above, and shall be 0 if the assessment result is unsatisfactory.

Among the 171 Incentive Participants of the 2019 Share Appreciation Scheme, the employment of 32 Incentive Participants with the Company has been terminated prior to the vesting of the Share Appreciation Rights granted to them. Pursuant to the terms of the 2019 Share Appreciation Scheme, the Share Appreciation Rights granted but not yet exercised by them shall lapse. In addition, the performance appraisal assessment results of 2 Incentive Participants are unsatisfactory, thus such Incentive Participants are unable to fulfill the relevant exercise condition. Pursuant to the terms of the 2019 Share Appreciation Scheme, a total of 153,411 units of Share Appreciation Rights granted but not yet exercised by the abovementioned Incentive Participants shall lapse. The performance appraisal results of the remaining 137 Incentive Participants are satisfactory and they are able to fulfill the relevant exercise conditions.

In light of the above, the exercise conditions for the Third Exercisable Period of the Share Appreciation Rights granted under the 2019 Share Appreciation Scheme have been fulfilled and a total of 873,090 units of Share Appreciations Rights will become exercisable by 137 Incentive Participants during the Third Exercisable Period.

OPINION OF THE INEDS

The independent non-executive Directors (the “INEDs”) had formed the following independent opinion:

The exercise arrangements are in compliance with the requirements of the 2019 Share Appreciation Scheme, and the exercise conditions for the Third Exercisable Period have been fulfilled. The exercise of the Share Appreciation Rights is in compliance with the relevant requirements and not detrimental to the Company and the Shareholders as a whole. As such, the INEDs agreed to a total of 873,090 units of Share Appreciations Rights becoming exercisable by 137 Incentive Participants during the Third Exercisable Period in accordance with the relevant requirements of the 2019 Share Appreciation Scheme.

OPINION FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee had formed the following opinion:

The arrangement in relation to the exercise of the Share Appreciation Rights by the Incentive Participants is not in breach of relevant laws or regulations and it is not detrimental to the interests of the Company and the Shareholders as a whole. The eligibility of the 137 Incentive Participants who have fulfilled the relevant exercise conditions are legal and effective. As such, the Supervisory Committee agreed to a total of 873,090 units of Share Appreciations Rights becoming exercisable by 137 Incentive Participants during the Third Exercisable Period in accordance with the relevant requirements of the 2019 Share Appreciation Scheme.

LEGAL OPINION FROM THE PRC COUNSEL OF THE COMPANY

Fangda Partners, the PRC legal advisor of the Company, is of the opinion that the exercise of the Share Appreciation Rights are in compliance with the conditions stipulated under the 2019 Share Appreciation Scheme, the Company had fulfilled the necessary procedures for the exercise of the Share Appreciation Rights and the abovementioned exercise is in compliance with relevant requirements under PRC laws and the requirements of the 2019 Share Appreciation Scheme.

IMPLICATIONS UNDER THE LISTING RULES

The 2019 Share Appreciation Scheme does not involve the grant of options over new Shares or other new securities issuable by the Company (or any of its subsidiaries) and therefore, it does not fall within the ambit of, and is not subject to, the regulations of Chapter 17 of the Listing Rules.

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

Hong Kong, June 27, 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, Dr. Hetong Lou, Mr. Xiaotong Zhang and Mr. Dai Feng as independent non-executive Directors.

* *For identification purposes only*