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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 ISSUE OF US\$300 MILLION ZERO COUPON  
CONVERTIBLE BONDS DUE 2024**

**Joint Lead Managers**  
*(In alphabetical order)*



**J.P.Morgan**

**Morgan Stanley**

**Co-Manager**



This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated September 3, 2019 in relation to the proposed issue of USD-denominated convertible bonds.

On September 3, 2019 (after trading hours), the Company, the Joint Lead Managers and the Co-Manager entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Company has agreed to issue, and the Joint Lead Managers and the Co-Manager have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US\$300 million.

The Bonds are convertible in the circumstances set out in the Terms and Conditions into H Shares at an initial Conversion Price of HK\$111.80 per H Share (subject to adjustments).

The initial Conversion Price is HK\$111.80 per H Share, which represents (i) a premium of 30.0% over the last closing price of HK\$86.0 per H Share as quoted on the Hong Kong Stock Exchange on September 3, 2019 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 29.28% over the average closing price of HK\$86.48 as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including September 3, 2019.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$111.80 per H Share, the Bonds will be convertible into approximately 21,048,032 H Shares, representing approximately 12.34% of the total issued H share capital of the Company as at the date of this announcement and approximately 10.99% of the enlarged total issued H share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

The gross proceeds from the Subscription of the Bonds will be US\$300 million. The Company intends to use the proceeds from the Subscription in the manner detailed in the paragraph headed “Use of Proceeds”.

The Conversion Shares will be allotted and issued by the Company pursuant to the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on June 3, 2019. The subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders’ approval.

The Enterprise Foreign Debt Pre-Issuance Registration Certificate from NDRC and approval from CSRC in relation to the issuance of the Bonds have been obtained.

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds and the Conversion Shares to be allotted and issued upon conversion of the Bonds.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.**

**As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

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## **SUBSCRIPTION AGREEMENT**

### **Date**

September 3, 2019

### **Parties**

1. The Company as issuer;
2. The Joint Lead Managers; and
3. The Co-Manager.

## **Subscription**

Subject to the satisfaction of the conditions set out below in the section headed “Conditions precedent”, the Joint Lead Managers and the Co-Manager have agreed to, severally and not jointly subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds in a principal amount of US\$300 million. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, each of the Joint Lead Managers and the Co-Manager is a third party independent of the Company and is not a connected person of the Company.

## **Subscribers**

The Joint Lead Managers have informed the Company that the Bonds will be offered to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the placees (and their respective ultimate beneficial owners) is not a connected person of the Company.

## **Conditions precedent**

The obligations of the Joint Lead Managers and the Co-Manager to subscribe and pay for the Bonds are conditional on, amongst others:

1. **Due diligence and Offering Circular:** each of the Joint Lead Managers being satisfied with the results of their due diligence investigations with respect to the Company and its subsidiaries and the Offering Circular having been prepared in form and content satisfactory to the Joint Lead Managers;
2. **Other Contracts:** the execution and delivery (on or before the Closing Date) of the Contracts, each in a form reasonably satisfactory to the Joint Lead Managers, by the respective parties;
3. **Lock-up:** each of the Substantial Shareholders shall have executed a lock-up agreement on the date of the Subscription Agreement;
4. **Auditors’ letters:** upon the Publication Date and on the Closing Date, there having been delivered to the Joint Lead Managers and the Co-Manager comfort letters, in form and substance satisfactory to the Joint Lead Managers and addressed to the Joint Lead Managers and the Co-Manager from the certified public accountants to the Company;

5. **Compliance:** at the Closing Date:
  - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct subject to the qualifications set forth in such representations and warranties (as applicable) at, and as if made on such date;
  - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
  - (iii) there having been delivered to the Joint Lead Managers and the Co-Manager a certificate dated as of such date, of a duly authorised officer of the Company to such effect;
6. **Material adverse change:** after the date thereof or, if earlier, the dates as of which information is given in the Offering Circular up to and at the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, prospects, results of operations or general affairs of the Company or of the Group as a whole, which, in the opinion of the Joint Lead Managers, is material and adverse in the context of the issue and offering of the Bonds;
7. **Other consents:** on or prior to the Closing Date there shall have been delivered to the Joint Lead Managers and the Co-Manager copies of all filings, registrations, consents and approvals required in relation to the issue of the Bonds and the performance of its obligations under the Trust Deed, the Agency Agreement and the Bonds;
8. **Certificate confirming no default:** on the Closing Date, there having been delivered to the Joint Lead Managers and the Co-Manager a certificate of no default as of such date, of a duly authorised officer of the Company;
9. **Listing:** the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the Bonds and the Hong Kong Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Bonds (or, in each case, the Joint Lead Managers being reasonably satisfied that such listing will be granted);
10. **Chief financial officer's certificates:** on the Publication Date and the Closing Date, there having been delivered to the Joint Lead Managers and the Co-Manager a certificate as of such date and signed by the chief financial officer of the Company;

11. **Legal opinions:** on or before the Closing Date, there having been delivered to the Joint Lead Managers and the Co-Manager opinions, in form and substance satisfactory to the Joint Lead Managers and the Co-Manager as to Hong Kong law, PRC law and English law, and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Joint Lead Managers and the Co-Manager may reasonably require; and
12. **Fee letter:** on or before the Closing Date, there having been delivered to each Joint Lead Manager, the relevant fee letter referred to in the Subscription Agreement and executed by the respective parties.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (other than condition (2) above) set out in the Subscription Agreement.

As at the date of this announcement, certain of the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). It is the intention of the Company to satisfy or procure the satisfaction of the conditions precedent of the Subscription Agreement before the Issue Date.

## **Termination**

Notwithstanding anything contained in the Subscription Agreement, the Joint Lead Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions precedent set out in the Subscription Agreement has not been satisfied or waived by the Joint Lead Managers on or prior to the Closing Date;
3. if in the opinion of the Joint Lead Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in their view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

4. if, in the opinion of the Joint Lead Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the Shanghai Stock Exchange, the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension (except for a trading halt pursuant to Rule 13.10A of the Listing Rules and suspension of trading pursuant to Chapter XII of the Shanghai Stock Exchange Listing Rules) or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange, the Shanghai Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds and the H Shares to be issued upon conversion of the Bonds or the transfer thereof; or
  
5. if, in the opinion of the Joint Lead Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

## **The Company's lock-up**

Neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds, or (ii) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Issuer or any of its subsidiaries pursuant to any employee share scheme or plan.

## **The Substantial Shareholders' lock-up**

Each of the Substantial Shareholders undertakes that none of them or any person acting on behalf of any of them (be it through any acting-in-concert agreement or any voting proxy arrangement) will (a) offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Relevant Shares or securities of the same class as the Bonds or the Relevant Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Relevant Shares or securities of the same class as the Bonds, the Relevant Shares or other instruments representing interests in the Bonds, the Relevant Shares or other securities of the same class as them; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Relevant Shares; or (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Relevant Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive).

## PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

Issuer:	The Company
Maturity Date:	September 17, 2024
Issue Price:	100% of the principal amount of the Bonds
Bonds:	US\$300 million zero coupon convertible bonds due 2024 convertible at the option of the holder thereof into fully paid ordinary H shares of the Company of RMB1.00 each at the initial conversion price of HK\$111.80 per H Share.
Interest:	The Bonds do not bear any interest.
Status:	The Bonds will constitute direct, unconditional, unsubordinated and (subject to negative pledge) unsecured obligations of the Company and shall rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to negative pledge, at all times rank at least equally with all of its other present and future direct, unconditional, unsecured and unsubordinated obligations.
Form and denomination:	The Bonds will be issued in registered form in denominations of US\$200,000 each and integral multiples of US\$100,000 in excess thereof.

Conversion period:	Subject to and upon compliance with the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the Bondholder, at any time on or after 41st day after the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 10 working days prior to the Maturity Date (both days inclusive), or if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than 10 working days (at the place aforesaid) prior to the date fixed for redemption thereof provided that (i) no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Company to redeem or repurchase such Bond pursuant to the Terms and Conditions or during a Restricted Conversion Period (both dates inclusive) and (ii) the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as provided in the Terms and Conditions.
Conversion Price:	The price at which H Shares will be issued upon conversion will initially be HK\$111.80 per H Share but will be subject to adjustments for, among other things, consolidation, subdivision or re-classification, capitalization of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than current market price and Change of Control.
Ranking of Conversion Shares:	The H Shares issued upon exercise of the Conversion Rights will be fully paid up and will in all respects rank <i>pari passu</i> with, and within the same class as, the H Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law.
Redemption at maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Bond at 106.43 per cent. of its outstanding principal amount.

Redemption at the option of the Bondholders:

The Company will, at the option of the holder of any Bond, redeem all or some of that holder's Bonds on September 17, 2022 (the "**Put Option Date**") at 103.81 per cent. of their outstanding principal amount.

Redemption for taxation reasons:

The Bonds may be redeemed, at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable), at the Early Redemption Amount as at the relevant date of redemption if the Company satisfies the Trustee immediately prior to the giving of such notice that (i) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or any, in each case, political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after September 3, 2019, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due. If the Company exercises its tax redemption right, each Bondholder shall have the right to elect that its Bonds shall not be redeemed. Upon a Bondholder electing not to have its Bonds redeemed in such circumstances, any payments due after the relevant date of redemption shall be made subject to any deduction or withholding of any taxation required to be deducted or withheld.

Redemption at the option of the Company:

On giving not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), the Bonds may be redeemed by the Company in whole, but not in part, on the date specified in the optional redemption notice at the Early Redemption Amount (i) at any time after September 27, 2022 but prior to the Maturity Date, subject to certain conditions as specified in the Terms and Conditions, or (ii) at any time if, the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds further issued pursuant to the Terms and Conditions).

Redemption for Relevant Events:

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event put date at the Early Redemption Amount.

**“Relevant Event”** means the occurrence of any of:

- (i) a Change of Control in the Company;
- (ii) a Delisting; or
- (iii) an H Share Suspension in Trading.

Cash Settlement:

Notwithstanding the Conversion Right of each Bondholder in respect of each Bond, in lieu of delivery of some or all of the H Shares required to be delivered upon exercise of a Conversion Right, the Company shall have the option to pay to the relevant Bondholder an amount of cash in USD (which shall be determined by the Company using the prevailing rate as stipulated in the Terms and Conditions on the cash settlement notice date) equal to the product of (i) the number of H Shares otherwise deliverable upon exercise of the Conversion Right in respect of the Bond(s) to which the conversion notice applies, and in respect of which the Company has elected the cash settlement option and (ii) the arithmetic average of the volume weighted average price of the H Shares for each day during the 20 H Share Stock Exchange Business Days immediately after the cash settlement notice date.

Negative Pledge:

So long as any Bond remains outstanding, the Company will not create or permit to subsist, and the Company will procure that none of its subsidiaries will create, or have outstanding, any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, to secure any investment securities or to secure any guarantee of or indemnity in respect of any investment securities unless, at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such investment securities, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an extraordinary resolution of the Bondholders.

## CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK\$111.80 per H Share, which represents (i) a premium of 30% over the last closing price of HK\$86.0 per H Share as quoted on the Hong Kong Stock Exchange on September 3, 2019 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 29.28% over the average closing price of HK\$86.48 as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including September 3, 2019.

The Conversion Price was determined with reference to the prevailing market price of the H Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm's length basis between the Company and the Joint Lead Managers and the Co-Manager. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$111.80 per H Share, the Bonds will be convertible into approximately 21,048,032 H Shares, representing approximately 12.34% of the total issued H share capital of the Company as at the date of this announcement and approximately 10.99% of the enlarged total issued H share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

The aggregate nominal amount of the Conversion Shares is RMB21,048,032.

## EFFECT ON SHAREHOLDINGS

The table below sets out a summary of the shareholdings in the Company (i) as at the date of this announcement and (ii) upon the exercise in full of the Conversion Rights attached to the Bonds:

Shareholders	As at the date of this announcement			Upon full conversion of the Bonds at the initial Conversion Price of HK\$111.80 per H Share		
	Class of Shares	Number of Shares	Approximate % of the total issued share capital	Class of Shares	Number of Shares	Approximate % of the total issued share capital
Founding Individuals ( <i>Note 1</i> )	A Shares	452,703,276	27.64	A Shares	452,703,276	27.29
Other holders of A Shares	A Shares	1,014,826,478	61.95	A Shares	1,014,826,478	61.17
Public holders of H Shares	H Shares	170,513,560	10.41	H Shares	170,513,560	10.28
Bondholders	—	—	—	H Shares	21,048,032	1.27
Total	—	<u>1,638,043,314</u>	<u>100</u>	—	<u>1,659,091,346</u>	<u>100</u>

*Note 1:* To ensure the Founding Individuals' control over the voting power attaching to the Shares held by Eastern Star Asia Investment Limited (東星亞洲投資有限公司), L&C Investment Limited and Fertile Harvest Investment Limited (沃茂投資有限公司) as acting-in-concert investors and Relian Investment Limited and Shanghai Yingyi Investment Center (Limited Partnership) (上海瀛翊投資中心(有限合夥)) as proxy grantors, on March 23, 2016 and March 17, 2017 (i) each of Eastern Star Asia Investment Limited (東星亞洲投資有限公司), L&C Investment Limited and Fertile Harvest Investment Limited (沃茂投資有限公司) signed an acting-in-concert agreement with Dr. Ge Li, pursuant to which each of them shall act in accordance with the instruction of Dr. Ge Li in respect of their voting power in the Company; and (ii) Shanghai Yingyi Investment Center (Limited Partnership) (上海瀛翊投資中心(有限合夥)) issued a voting proxy to appoint Dr. Ge Li as its attorney and proxy to exercise all of its voting power in the Company and to exercise all consensual rights in respect of the shares held by it. The Founding Individuals entered into an acting-in-concert agreement and a supplemental agreement on March 23, 2016 and March 17, 2017 respectively to acknowledge and confirm their acting-in-concert relationship in the Company. For details, please refer to the section headed "History and Corporate Development — Acting in Concert" in the prospectus of the Company dated December 3, 2018.

## **USE OF PROCEEDS**

The gross proceeds from the Subscription will be US\$300 million. The Company intends to use the proceeds for, among others, (i) mergers and acquisitions, (ii) business expansion, and (iii) working capital and general corporate purposes.

Consistent with the Group's investment focus, it will select acquisition or investment targets which could potentially provide effective synergy with its platform and support for the growth of the healthcare ecosystem. As part of the Group's efforts to foster the healthcare ecosystem, it has established joint ventures and made selective investments in a wide variety of companies within the healthcare ecosystem. The Group primarily focuses its investments in: (1) targets that fit into and support its existing value chain, (2) cutting edge technologies that it believes will advance the healthcare industry, (3) strategic long-term investments, and (4) venture capital funds, all of which would allow the Group to further access a wider variety of participants in the healthcare ecosystem while maintaining its position at the forefront of science. To this end, the Group would consider the size of the targets, their operating history, their technology and expertise, and financial performance. The Group would also consider the location, operational capacity and scale, reputation, quality of the existing management and scientists and research technicians, corporate culture, and proximity to its customers.

## **REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS**

The Board considers that the issue of the Bonds represents an opportunity to obtain a pool of readily available funds that can better support business expansion of the Company in the long run. The Board currently intends to use the funds as mentioned above and considers it will facilitate the overall development and expansion of the Group.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the issue of the Bonds are made on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **GENERAL MANDATE FOR THE ISSUE OF THE BONDS AND THE CONVERSION SHARES**

At the 2018 annual general meeting of the Company held on June 3, 2019, a special resolution was passed to grant a general mandate (the "**General Mandate**") to the Directors to issue, allot, or deal with additional H Shares not exceeding 24,359,080 H Shares, equivalent to 20% of the aggregate nominal amount of H Shares of the Company in issue as at the date of the 2018 annual general meeting, which amounted to 121,795,400 H Shares. A special resolution was also passed to grant authorization to the Board to issue onshore and offshore debt financing instruments.

The Conversion Shares will be allotted and issued by the Company pursuant to the General Mandate. The issue of the Bonds and the Conversion Shares by the Company is not subject to further Shareholders' approval.

## EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The following are fund raising activities of the Company during the past 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as of June 30, 2019
December 3, 2018	Hong Kong public offering and international offering of H Shares	HK\$7,641.5 million	1) To expand our capacity and capabilities across all business units globally	As to (i) approximately RMB1,010.0 million used for expansion of our capacity and capabilities across all business units globally; (ii) approximately RMB1,007.0 million used for funding the acquisition of CRO and CMO/CDMO companies; (iii) approximately RMB281.3 million used for investing in our ecosystem; (iv) approximately RMB3.3 million used for developing cutting-edge technology; (v) approximately RMB1,399.5 million used for repaying our bank loans; and (vi) approximately RMB703.3 million used for working capital and general corporate purposes. The remaining proceeds are placed in the bank account of the Group and will be utilized as intended.
January 6, 2019	Partial exercise of over-allotment option	HK\$352.6 million	2) To fund the acquisition of CRO and CMO/CDMO companies 3) To invest in our ecosystem 4) To develop cutting-edge technology 5) To repay our bank loans 6) Working capital and general corporate uses	

Save as disclosed above, the Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

## **GENERAL INFORMATION**

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, testing services for medical devices as well as precision medical research and development production services.

## **APPROVALS RECEIVED AND APPLICATION FOR LISTING**

The Enterprise Foreign Debt Pre-Issuance Registration Certificate from NDRC and approval from CSRC in relation to the issuance of the Bonds have been obtained.

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon conversion of the Bonds.

The Company has obtained a letter of eligibility in relation to the listing of the Bonds of the Hong Kong Stock Exchange.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.**

**As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“A Share(s)” means the ordinary domestic share(s) of the Company with nominal value of RMB1.00 listed on the Shanghai Stock Exchange

“Agency Agreement”	means the paying, conversion and transfer agency agreement in respect of the Bonds to be entered into between the Company, the Trustee, The Hongkong and Shanghai Banking Corporation Limited, as the principal paying agent, the principal conversion agent, the registrar and as transfer agent, and the other paying agents, conversion agents and transfer agents appointed thereunder on or around the Issue Date
“Board”	means the board of Directors of the Company
“Bondholder(s)”	means holder(s) of the Bond(s) from time to time
“Bonds”	means US\$300 million zero coupon convertible bonds due 2024 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of par value RMB1.00 each at the initial Conversion Price of HK\$111.80 per H Share.
“CDMO”	means Contract Development and Manufacturing Organization, a CMO that in addition to comprehensive drug manufacturing services, also provides process development and other drug development services in connection with its manufacturing services
“Change of Control”	means: <ul style="list-style-type: none"> <li>(a) the Founding Individuals, collectively, together with any voting rights controlled directly or indirectly by the Founding Individuals, including through any voting proxy arrangement and/or acting-in-concert agreement, ceases to be the single largest holder of voting rights in the Company;</li> <li>(b) other than Founding Individuals, any person or persons, acting together, acquires control of the Company if such person or persons does not or do not have, and would not be deemed to have, control of the Company on the Issue Date;</li> </ul>

- (c) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity; or
- (d) one or more other persons acquires the legal or beneficial ownership of all or substantially all of the Company's registered share capital

“Closing Date”	means September 17, 2019
“CMO”	means Contract Manufacturing Organization, a company that serves other companies in the pharmaceutical industry on a contact basis to provide comprehensive drug manufacturing services
“Co-Manager”	means SPDB International Capital Limited
“Company”	means 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, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2359)
“connected person”	means has the meaning ascribed to it under the Listing Rules
“Contracts”	means the Subscription Agreement, the Trust Deed and the Agency Agreement
“Conversion Price”	means the price per Conversion Share (subject to adjustments) at which the Bonds may be converted into the H Shares
“Conversion Right”	means the right of a Bondholder to convert any Bond into H Shares

“Conversion Share(s)”	means the H Share(s) to be issued upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
“CRO”	means Contract Research Organization
“CSRC”	means China Securities Regulatory Commission
“Delisting”	means when the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange
“Director(s)”	means the director(s) of the Company
“Early Redemption Amount”	means for each US\$100,000 principal amount of the Bonds, the amount calculated in accordance with the formula stipulated in the Terms and Conditions
“Founding Individuals”	means Dr. Ge Li, Mr. Xiaozhong Liu, Mr. Zhaohui Zhang and Dr. Ning Zhao, each of them an executive Director
“Group”	means the Company and its subsidiaries
“H Share(s)”	means the overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each
“H Share Stock Exchange Business Day”	means any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the alternative stock exchange (as the case may be) is open for the business in dealing in securities
“H Share Suspension in Trading”	means the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Issue Date”	means September 17, 2019
“Joint Lead Managers”	means Goldman Sachs (Asia) L.L.C., Huatai Financial Holdings (Hong Kong) Limited, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc (in alphabetical order)
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maturity Date”	means the date on which the Bonds will be redeemed at 106.43 per cent. of their outstanding principal amount, unless previously redeemed, converted or purchased and cancelled, which is expected to be on September 17, 2024
“NDRC”	means the National Development and Reform Commission of the PRC
“New Shares”	means the H Shares to be issued on conversion of the Bonds
“Offering Circular”	means the offering circular to be prepared by the Company in connection with the issue of the Bonds and the listing of the Bonds on the Hong Kong Stock Exchange
“PRC”	means the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Principal Agent”	means The Hongkong and Shanghai Banking Corporation Limited
“Publication Date”	means the publication date of the Offering Circular, which is dated no later than three business days prior to the Issue Date or such other date as may be agreed between the Company, the Joint Lead Managers and the Co-Manager

“Relevant Shares”	means an aggregate of 452,703,276 Shares, representing approximately 27.64% of the issued share capital of the Company, controlled by the Substantial Shareholders through acting-in-concert agreements among themselves and with other shareholders of the Company as well as a voting proxy arrangement, as at the date of this announcement.
“Restricted Conversion Period”	means the period (i) commencing on the date falling 30 days prior to a Shareholders’ meeting and ending on the date of that meeting; or (ii) commencing the date falling five working days prior to the record date set by the Company for the purpose of distribution of any dividend and ending on such record date; or (iii) commencing on such date and for such period as determined by applicable law from time to time that the Company is required to close its register
“RMB”	means renminbi, the lawful currency of the PRC
“Shares”	means the H Shares and the A Shares
“Shareholders”	means the holders of the Shares
“Subscription”	means the issue and subscription of the Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	means the subscription agreement dated September 3, 2019 entered into between the Company, the Joint Lead Managers and the Co-Manager in connection with the issue and subscription of the Bonds
“Substantial Shareholders”	means Dr. Ge Li, Mr. Xiaozhong Liu, Mr. Zhaohui Zhang and Dr. Ning Zhao, each of them an executive Director
“Terms and Conditions”	means the terms and conditions of the Bonds
“Trust Deed”	means the trust deed constituting the Bonds to be entered into between the Company and the Trustee on or around the Issue Date
“Trustee”	means The Hongkong and Shanghai Banking Corporation Limited

“United States”	means the United States of America
“U.S. Securities Act”	means the United States Securities Act of 1933 (as amended)
“US\$” or “USD”	means US dollar(s), the lawful currency of the United States
“%”	means percentage

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

Hong Kong, September 4, 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 purposes only*