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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) ADJUSTMENT TO THE EXERCISE PRICE AND NUMBER OF
THE SECOND AND THIRD TRANCHES OF SHARE APPRECIATION
RIGHTS GRANTED UNDER THE 2019
SHARE APPRECIATION SCHEME; AND
(2) FULFILLMENT OF EXERCISE CONDITIONS FOR SECOND
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, the circular of the Company dated August 5, 2019 (the “**EGM Circular**”), the poll results announcement of the Company dated September 20, 2019, the announcements of the Company dated September 30, 2019 and June 10, 2020, in relation to, among other things, the 2019 Share Appreciation Scheme, the adjustment to the number of Share Appreciation Rights granted thereunder from 2,901,172 units to 4,061,639 units and the adjustment of the exercise price of such Share Appreciation Rights from HK\$72.00 per unit to HK\$51.43 per unit in light of the 2019 Profit Distribution Plan; and (ii) the circular of the Company dated April 9, 2021 (the “**2020 AGM Circular**”, and together with the EGM Circular, the “**Circulars**”) and the poll results announcement of the Company dated May 13, 2021, in relation to, among other things, the 2020 Profit Distribution Plan. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circulars.

INTRODUCTION

The 2020 Profit Distribution Plan was approved by the Shareholders at each of the 2020 annual general meeting, the first H Share class meeting of 2021 and the first A Share class meeting of 2021 of the Company held on May 13, 2021. As part of the 2020 Profit Distribution Plan, 2 2020 Capitalization Shares for every existing 10 Shares have been issued by way of capitalization of reserve, and a cash dividend of RMB3.63 (inclusive of tax) for every 10 Shares has been made.

On June 25, 2021, the Board considered and approved the resolutions in relation to, among other things, (i) the adjustment to the exercise price and number of Share Appreciation Rights granted under the 2019 Share Appreciation Scheme; and (ii) the fulfilment of the exercise conditions for the second exercisable period of the Share Appreciation Rights granted under the 2019 Share Appreciation Scheme.

ADJUSTMENT TO THE EXERCISE PRICE AND NUMBER OF THE SECOND AND THIRD TRANCHES OF SHARE APPRECIATION RIGHTS GRANTED UNDER THE 2019 SHARE APPRECIATION SCHEME

Following the implementation of the 2020 Profit Distribution Plan on June 8, 2021, 2 new Shares were issued for every existing 10 Shares held by the Shareholders on June 7, 2021 (being the relevant record date) and a cash dividend of RMB3.63 (inclusive of tax) for every 10 Shares was distributed to the Shareholders.

Adjustment to the exercise price

Pursuant to the relevant provisions of the 2019 Share Appreciation Scheme, in the event of, among other things, any capitalization of capital reserve, bonus shares issue or sub-division of shares, the Company shall adjust the exercise price of the Share Appreciation Rights as follows:

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

Where: “P₀” represents the exercise price prior to adjustment; “n” represents the ratio of increase per Share resulting from the issue of shares by capitalization of capital reserve, bonus shares issue or sub-division of shares to each share; “P” represents the adjusted exercise price.

Adjustment to the number of Share Appreciation Rights

Pursuant to the relevant provisions under the 2019 Share Appreciation Scheme, in the event of, among other things, any capitalization of capital reserve, bonus shares issue or sub-division of shares, the Company shall adjust the number of Share Appreciation Rights as follows:

$$Q = Q_0 \times (1 + n)$$

Where: “Q₀” represents the number of the Share Appreciation Rights prior to adjustment; “n” represents the ratio of increase per share resulting from the issue of shares by capitalization of capital reserve, bonus shares issue and sub-division of shares (i.e. the number of shares increased upon issue of shares by conversion of capital reserve, bonus shares issue or sub-division of shares); “Q” represents the adjusted number of the Share Appreciation Rights.

In light of the above, the number of the second and third tranches of Share Appreciation Rights granted by the Company which are exercisable during the Second Exercisable Period (as defined below) and the Third Exercisable Period (as defined below), respectively, shall be adjusted from 1,707,792 units to 2,049,342 units and the exercise price of which shall be adjusted from HK\$51.43 per unit to HK\$42.86 per unit accordingly.

FULFILLMENT OF EXERCISE CONDITIONS FOR SECOND EXERCISABLE PERIOD OF SHARE APPRECIATION RIGHTS GRANTED UNDER 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 second 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 Second 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 Second 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.

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 2020 is RMB16,535,431,465.41, which has increased by approximately RMB6.922 billion as compared with that for 2018.

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.

The employment of 28 Incentive Participants of the 2019 Share Appreciation Scheme 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 result of 1 Incentive Participant is unsatisfactory, thus such Incentive Participant is unable to fulfill the relevant exercise condition. Pursuant to the terms of the 2019 Share Appreciation Scheme, a total of 190,990 Share Appreciation Rights granted but not yet exercised by the abovementioned Incentive Participants shall lapse. The remaining 170 Incentive Participants are able to fulfil the relevant exercise condition.

In light of the above, the exercise conditions for the second exercisable period of the Share Appreciation Rights granted under the 2019 Share Appreciation Scheme have been fulfilled and a total of 1,022,841 units of Share Appreciations Rights will become exercisable by 170 Incentive Participants during the Second Exercisable Period.

OPINION OF THE INEDS

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

Following the implementation of the 2020 Profit Distribution Plan on June 8, 2021 and pursuant to the relevant requirements of the 2019 Share Appreciation Scheme as well as the relevant authorizations granted at the first extraordinary general meeting of 2019, second A Share class meeting of 2019 and second H Share class meeting of 2019 of the Company held on September 20, 2019, the Company has made corresponding adjustments to the exercise price and number of the second and third tranches of Share Appreciation Rights granted under the 2019 Share Appreciation Scheme. The review and consideration procedures are in line with relevant laws and regulations as well as the Articles of Association, and there are no circumstances which are detrimental to the Company and the Shareholders as a whole. As such, the INEDs agreed that the number of the second and third tranches of the Share Appreciation Rights granted by the Company shall be adjusted to 2,049,342 units and the exercise price of which shall be adjusted to HK\$42.86 per unit.

The exercise arrangements are in compliance with the requirements of the 2019 Share Appreciation Scheme, and the relevant exercise conditions 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 1,022,841 units of Share Appreciations Rights becoming exercisable by 170 Incentive Participants during the Second 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 Company has implemented the 2020 Profit Distribution Plan on June 8, 2021. Pursuant to the relevant requirements of the 2019 Share Appreciation Scheme as well as the relevant authorizations granted at the first extraordinary general meeting of 2019, second A Share class meeting of 2019 and second H Share class meeting of 2019 of the Company held on September 20, 2019, the Board has made corresponding adjustments to the exercise price and number of Share Appreciation Rights granted under the 2019 Share Appreciation Scheme. After the adjustment, the number of the second and third tranches of the Share Appreciation Rights granted by the Company shall be 2,049,342 units and the exercise price of which shall be HK\$42.86 per unit. The abovementioned adjustments are in compliance with relevant laws and regulations as well as the relevant requirements of the 2019 Share Appreciation Scheme, and is not detrimental to the Company and the Shareholders as a whole.

The exercise conditions for the second exercisable period of the 2019 Share Appreciation Scheme have been fulfilled. As such, the Supervisory Committee agreed to the Company carrying out matters in relation to the exercise of the 1,022,841 units of Share Appreciation Rights held by 170 Incentive Participants.

LEGAL OPINION FROM THE PRC COUNSEL OF THE COMPANY

Fangda Partners, the PRC legal advisor of the Company, is of the opinion that (i) the Company had fulfilled the necessary procedures for the exercise and the abovementioned adjustments in relation to the Share Appreciation Rights; (ii) the exercise of the Share Appreciation Rights are in compliance with the conditions stipulated under the 2019 Share Appreciation Scheme; and (iii) the abovementioned adjustments are in compliance with relevant requirements under the Administrative Measures on Share Incentives of Listed Companies, the Articles of Association 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 25, 2021

As of the date of this announcement, the Board of the Company 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*