

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)

**(1) ADJUSTMENT TO THE REPURCHASE NUMBER AND
REPURCHASE PRICE OF RESTRICTED A SHARES AND THE
EXERCISE PRICE AND NUMBER OF THE SHARE OPTIONS
GRANTED UNDER THE 2019 A SHARE INCENTIVE PLAN; AND
(2) REPURCHASE AND CANCELLATION OF PART OF
THE RESTRICTED A SHARES AND CANCELLATION OF PART OF
THE SHARE OPTIONS GRANTED UNDER
THE 2019 A SHARE INCENTIVE PLAN**

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 “**Circular**”); (iii) the poll results announcement of the Company dated September 20, 2019; (iv) the announcement of the Company dated September 30, 2019; (v) the circular of the Company dated October 4, 2019; (vi) the poll results announcement of the Company dated November 18, 2019; and (vii) the announcement of the Company dated November 25, 2019 in relation to, among other things, (i) the adoption of the 2019 A Share Incentive Plan; (ii) the adoption of the list of Incentive Participants of the 2019 A Share Incentive Plan; (iii) the adjustments to the number of Incentive Participants and number of Restricted A Shares and Share Options to be granted under the initial grant of the 2019 A Share Incentive Plan; and (iv) the initial grant of Restricted A Shares and Share Options under the 2019 A Share Incentive Plan. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

(1) ADJUSTMENT TO THE REPURCHASE NUMBER AND REPURCHASE PRICE OF THE RESTRICTED A SHARES AND THE EXERCISE PRICE AND NUMBER OF THE SHARE OPTIONS GRANTED UNDER THE 2019 A SHARE INCENTIVE PLAN

(a) Initial Grant under the 2019 A Share Incentive Plan

The “Proposal on the Adjustment to the Repurchase Number and Repurchase Price of Restricted A Shares granted under the Initial Grant and Adjustment to the Exercise Price and Number of Share Options Granted under the Initial Grant of the Restricted A Shares and Stock Option Incentive Plan of 2019 of the Company” was approved at the second meeting of the second session of the Board.

Following the implementation of the profit distribution plan of the Company for the year ended December 31, 2019 on June 4, 2020 under which 4 new Shares were issued for every existing 10 Shares held by the Shareholders on June 3, 2020 (being the relevant record date) by way of capitalization of reserve (the “**Capitalization of Reserve**”) and a cash dividend of RMB3.37 (inclusive of tax) for every 10 Shares will be distributed to the Shareholders (collectively, the “**2019 Profit Distribution Plan**”). Pursuant to the relevant adjustment mechanism of the 2019 A Share Incentive Plan as detailed in the Circular, the repurchase number of the Restricted A Shares granted under the Initial Grant shall be adjusted to 357,379 Restricted A Shares granted and the repurchase price of the Restricted A Shares granted under the Initial Grant shall be adjusted to RMB22.95 per A Share. The Share Options granted under the Initial Grant shall be adjusted to 7,020,795 units at the Exercise Price of RMB46.34 per unit (the “**Adjustments under the Initial Grant**”).

(b) Reserved Grant under the 2019 A Share Incentive Plan

The “Proposal on the Adjustment to the Number of Reserved Interests Granted under the Restricted A Shares and Stock Option Incentive Plan of 2019 of the Company” was approved at the second meeting of the second session of the Board. Following the implementation of the 2019 Profit Distribution Plan on June 4, 2020 and pursuant to the relevant adjustment mechanism of the 2019 A Share Incentive Plan as detailed in the Circular, the number of Reserved Interests shall be adjusted from 2,105,553 units to 2,947,774 units (together with the Adjustments under the Initial Grant, the “**Adjustments**”).

(2) REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED A SHARES AND CANCELLATION OF PART OF THE SHARE OPTIONS GRANTED UNDER THE 2019 A SHARE INCENTIVE PLAN

The “Proposal on the Repurchase and Cancellation of Part of the Restricted A Shares Granted under the Initial Grant and the Cancellation of Part of the Share Options Granted under the Initial Grant of the Restricted A Shares and Stock Option Incentive Plan of 2019 of the Company” was approved at the second meeting of the second session of the Board. Pursuant to the above proposal, due to (i) the departure of 32 Incentive Participants before the expiry of the Lock-up Period and 22 Incentive Participants before the expiry of the Vesting Period; (ii) 20 Incentive Participants being unable to satisfy the performance appraisal target at 2019; and (iii) the implementation of the 2019 Profit Distribution Plan, the Company shall repurchase a total of 357,379 Restricted A Shares granted under the Initial Grant at the repurchase price of RMB22.95 per A Share and cancel 474,255 units of Share Options granted under the Initial Grant. None of the above 74 Incentive Participants are connected persons of the Company as defined under the Listing Rules. The relevant matters are explained as follows:

I. The Information on the Repurchase and Cancellation of Part of the Restricted A Shares and the Cancellation of the Share Options granted under the 2019 A Share Incentive Plan

(a) Basis of the Repurchase and Cancellation of the Restricted A Shares and the Cancellation of the Share Options Granted under the 2019 A Share Incentive Plan

Pursuant to the relevant terms of the 2019 A Share Incentive Plan in relation to the change in circumstances of the Incentive Participants as a result of the resignation, redundancy, failure to renew the labour contract upon the expiration or the termination of labour relations with the Company, the Restricted A Shares that have been granted to the Incentive Participants but are still subject to the Lock-up Period shall not be unlocked, and shall be repurchased and cancelled; while the Share Options that have been granted to the Incentive Participants but are not yet exercised shall not be exercised, and shall be cancelled by the Company.

As such, in light of the abovementioned departure of 32 Incentive Participants before the expiry of the Lock-up Period and 22 Incentive Participants before the expiry of the Vesting Period, the Company agreed to repurchase the granted but not yet unlocked Restricted A Shares which have not been unlocked from the abovementioned 32 Incentive Participants and cancel the unexercised Share Options granted to the abovementioned 22 Incentive Participants, as considered and approved at the second meeting of the second session of the Board.

Pursuant to the relevant terms of the 2019 A Share Incentive Plan in relation to the performance appraisal targets for Incentive Participants at the individual level and 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 and grade the results for each assessment year. The proportion of the Restricted A Shares, that can be unlocked or the Share Options that can be exercised by the Incentive Participants shall be determined based on the appraisal results and in the following manner:

For Restricted A Shares:

Number of Restricted A Shares to be unlocked by an Incentive Participant for the respective year = standard coefficient × the scheduled number of Restricted A Shares to be unlocked by the Incentive Participant for the respective year. The standard coefficient shall be 100% if the assessment result of the Incentive Participant is “B” or above, and shall be 0 if the assessment result is below “B”.

For Share Options:

Number of Share Options to be exercised by an Incentive Participant for the respective year = standard coefficient × the scheduled number of Share Options to be exercised by the Incentive Participant for the respective year. The standard coefficient shall be 100% if the assessment result of the Incentive Participant is “B” or above, and shall be 0 if the assessment result is below “B”.

As the assessment result of a total of 20 Incentive Participants were below “B”, the Board resolved to repurchase and cancel the Restricted A Shares which were granted but have not been unlocked from 14 Incentive Participants; and cancel the Share Options which were granted but have not been exercised from 6 Incentive Participants.

(b) Number of the Restricted A Shares to be Repurchased and Cancelled and the Number of the Share Options to be Cancelled

Pursuant to the 2019 A Share Incentive Plan and the approval of the second meeting of the second session of the Board, an aggregate of 357,379 Restricted A Shares granted under the Initial Grant shall be repurchased and cancelled and an aggregate of 474,255 Share Options granted under the Initial Grant shall be cancelled.

(c) Repurchase Price of the Restricted A Shares to be Repurchased and Cancelled

As the 2019 Profit Distribution Plan has been implemented, the repurchase price of the Restricted A Shares granted under the 2019 Share Incentive Plan shall be adjusted accordingly pursuant to the relevant adjustment mechanism of the 2019 A Share Incentive Plan. As such, the repurchase price of the Restricted A Shares granted under the Initial Grant shall be adjusted to RMB22.95 per A Share.

II. The Table of Expected Changes in the Shareholding Structure of the Company upon the Repurchase and Cancellation of the Restricted A Shares

Class of Shares	Immediately before the repurchase and cancellation ^{Note}		Immediately after the repurchase and cancellation	
	Number of Shares issued	Percentage of shareholding	Number of Shares issued	Percentage of shareholding
A Shares	2,072,317,574	89.6705%	2,071,960,195	89.6689%
H Shares	<u>238,718,984</u>	<u>10.3295%</u>	<u>238,718,984</u>	<u>10.3311%</u>
Total number of Shares	<u><u>2,311,036,558</u></u>	<u><u>100.0000%</u></u>	<u><u>2,310,679,179</u></u>	<u><u>100.0000%</u></u>

Note: The number of shares issued and percentage of shareholding immediately before the repurchase and cancellation of the Restricted A Shares granted under the 2019 A Share Incentive Plan have taken into account the change of share capital after the repurchase and cancellation of part of the Restricted A Shares granted under the Restricted A Shares and Stock Option Incentive Plan of 2018 of the Company, details of which are set out in the relevant announcement of the Company dated June 10, 2020.

III. The Impact of the Repurchase and Cancellation of the Restricted A Shares

The repurchase and cancellation of part of the Restricted A Shares granted under the Initial Grant of the 2019 A Share Incentive Plan will not result in the shareholding distribution of the Company not being in compliance with the listing requirements under the Rules Governing the Listing of Stock on the Shanghai Stock Exchange by the Company, and will not affect the continued implementation of the 2019 A Share Incentive Plan and the public float of the Company as required under the Listing Rules, nor will it have a significant impact on the operating results of the Company.

(3) OPINION OF THE INEDs

The independent non-executive Directors (the “**INEDs**”) were of the view that: (i) repurchase and cancellation of part of the Restricted A Shares and cancellation of part of the Share Options granted under the 2019 A Share Incentive Plan were in compliance with the Administrative Measures on Share Incentives of Listed Companies (the “**Administrative Measures**”), the relevant laws and regulations and the terms of the 2019 A Share Incentive Plan, and that they agreed with the Adjustments; (ii) the reasons for, the repurchase number and repurchase price of the Restricted A Shares and the number of the Share Options to be cancelled are legal and effective; and (iii) the abovementioned matters will not result in the shareholding distribution of the Company not being in compliance with the listing requirements under the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, and will not affect the continued implementation of the 2019 A Share Incentive Plan of the Company and they are not detrimental to the interests of the Company and the Shareholders as a whole. As such, the INEDs agreed to the Company repurchasing and cancelling part of the Restricted A Shares granted under the 2019 A Share Incentive Plan in accordance with the adjusted repurchase price and adjusted repurchase number, as well as cancelling part of the Share Options granted under the 2019 A Share Incentive Plan.

(4) EXAMINATION OPINION FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee was of the view that: (i) repurchase and cancellation of part of the Restricted A Shares and cancellation of part of the Share Options granted under the 2019 A Share Incentive Plan were in compliance with the Administrative Measures, the relevant laws and regulations and the terms of the 2019 A Share Incentive Plan, and that they agreed with the Adjustments; (ii) the reasons for, the repurchase number and repurchase price of the Restricted A Shares and the number of the Share Options to be cancelled are legal and effective; and (iii) the abovementioned matters will not result in the shareholding distribution of the Company not being in compliance with the listing requirements under the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, and will not affect the continued implementation of the 2019 A Share Incentive Plan of the Company and they are not detrimental to the interests of the Company and the Shareholders as a whole. As such the Supervisory Committee agreed to the Company repurchasing and cancelling part of the Restricted A Shares granted under the 2019 A Share Incentive Plan in accordance with the adjusted repurchase price and adjusted repurchase number and cancelling part of the Share Options granted under the 2019 A Share Incentive Plan.

(5) 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 has obtained necessary approvals and authorizations for the Adjustments, repurchase and cancellation of part of the Restricted A Shares and cancellation of part of the Share Options and it is in compliance with the relevant requirements under the Administrative Measures and the 2019 A Share Incentive Plan; (ii) the reasons for the repurchase and cancellation of part of the Restricted A Shares and cancellation of part of the Share Options, and the adjustments to repurchase number and repurchase price of the Restricted A Shares are in compliance with the relevant requirements under the Administrative Measures and the 2019 A Share Incentive Plan; and (iii) the relevant adjustments to the Share Options are in compliance with the relevant requirements under the Administrative Measures, the Articles of Association and the 2019 A Share Incentive Plan.

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

Hong Kong, June 10, 2020

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*