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## **WUXI BIOLOGICS (CAYMAN) INC.**

**藥明生物技術有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2269)**

### **ADOPTION OF RESTRICTED SHARE AWARD SCHEME AND GRANT OF RESTRICTED SHARES UNDER RESTRICTED SHARE AWARD SCHEME**

#### **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

The Board is pleased to announce that on January 15, 2018, the Company has adopted the Scheme to, among other things, recognize the contributions by the Selected Participants. The Scheme will initially be valid and effective for a period of ten (10) years commencing on the Adoption Date. Pursuant to the Scheme, the Restricted Shares will be satisfied by (i) existing Shares to be acquired by the Trustee on the market, and/or (ii) new Shares to be allotted and issued to the Trustee. The total number of the Restricted Shares underlying all grants made pursuant to the Scheme shall not exceed three per cent. (3%) (i.e. 34,953,032 Shares) of the issued share capital of the Company as at the Adoption Date.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No shareholders' approval is required to adopt the Scheme.

#### **GRANT OF RESTRICTED SHARES**

On January 15, 2018, the Board approved a grant of 3,122,240 Restricted Shares to the Selected Participants under the Scheme, representing approximately 0.27% of the issued share capital of the Company as at the Adoption Date.

## **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

The Board is pleased to announce that on January 15, 2018, the Company has adopted the Scheme to, among other things, recognize the contributions of the Selected Participants. Pursuant to the Scheme, the Restricted Shares will be satisfied by (i) existing Shares to be acquired by the Trustee on the market, and/or (ii) new Shares to be allotted and issued to the Trustee by the Company under the general or specific mandate sought from the shareholders of the Company in its general meeting.

### **SUMMARY OF THE SCHEME**

#### **1. Purposes of the Scheme**

The purposes of the Scheme are to (i) recognize the contributions by the Selected Participants; (ii) encourage, motivate and retain the Selected Participants, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the Selected Participants to achieve performance goals, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants to the shareholders of the Company through ownership of Shares.

#### **2. Administration of the Scheme**

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the terms of the Scheme and the Trust Deed. Unless otherwise specified herein, the decision of the Board and the Trustee regarding the administration and operation of the Scheme shall be final and binding on all parties.

The Board has the power to administer the Scheme, including the power to interpret the rules of the Scheme, and the terms of the Award granted under the Scheme. The Board may delegate the authority to administer the Scheme to a committee of the Board or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third party contractors to assist in the administration of the Scheme as they may think fit.

### **3. Grant of Award**

The Board may, at its sole discretion, determine which Eligible Participant(s) shall be entitled to receive grants of Restricted Shares under the Scheme, together with the number of Shares to which each Selected Participant shall be entitled, and make the relevant grant of Restricted Shares to the Selected Participants under the Scheme subject to such conditions as the Board may deem appropriate at its discretion.

Any proposed grant of the Restricted Shares under the Scheme to any connected person in relation to the Company or any of its subsidiaries must be approved by the independent non-executive directors of the Company (except where such connected person is an independent non-executive director of the Company, in which case such director shall abstain from such approval process) and in accordance with the requirements under the Listing Rules.

### **4. Restrictions on Grant**

No grant of Restricted Shares shall be made to any Selected Participant under the Scheme where any Director and/or such Selected Participant is in possession of unpublished inside information in relation to the Company or any of its subsidiaries or where dealings in Shares have been suspended or dealings in Shares by any Director are prohibited under any code or requirement of the Listing Rules or any applicable legal or regulatory requirement from time to time or where such grant of the Restricted Shares would result in a breach of the Scheme Limit (as defined below).

### **5. Maximum Number of Shares to be Granted**

The total number of the Restricted Shares underlying all grants made pursuant to the Scheme shall not exceed in total three per cent. (3%) (i.e. 34,953,032 Shares) of the Company's issued share capital as at the Adoption Date (the "**Scheme Limit**"), provided that no account shall be taken into the calculation of the Scheme Limit of any Shares where the right to acquire such Shares has been released, lapsed or vested in accordance with the Scheme.

## **6. Satisfaction of Awards**

The Company shall (i) issue and allot Shares to the Trustee under the general or specific mandates granted or to be granted by the Shareholders at the general meetings from time to time, and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price or at price within a specified price range, so as to satisfy the Award. The Restricted Shares will be held in trust for the Selected Participants until the end of each vesting period. When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the Award and become entitled to the Restricted Shares, the Trustee shall transfer the relevant Restricted Shares to that Selected Participant.

The Company shall comply with the applicable Listing Rules when issuing new Shares and application will be made to the Stock Exchange for granting of the listing of, and permission to deal in, the new Restricted Shares to be issued. The Company shall not issue or allot Shares, nor instruct the Trustee to acquire Shares on the market at the prevailing market price or at price within a specified price range, where such action (as applicable) is prohibited under the Listing Rules, the SFO or other applicable laws from time to time or where such action (as applicable) would render the Company the subject of a mandatory offer under the Codes on Takeovers and Mergers from time to time.

## **7. Vesting of Restricted Shares**

Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions imposed by the Board. The Board or person(s) to which the Board delegated its authority may either (a) direct and procure the Trustee to release from the Trust the Restricted Shares to the Selected Participants by transferring the number of Restricted Shares to the Selected Participants in such manner as determined by the Board from time to time; or (b) to the extent that, at the determination of the Board or its delegate(s), it is not practicable for the Selected Participants to receive the Restricted Shares in Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Restricted Shares in Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board or its delegate(s) will direct and procure the Trustee to sell, on the market at the prevailing market price or at price within a specified price range, the number of Restricted Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the Actual Selling Price of such Restricted Shares.

Subject to the Rules, save as determined otherwise by the Board at its sole discretion, the Selected Participant shall cease immediately to be entitled to all his/her rights and benefits to the Restricted Shares outstanding and unvested in the event that (i) the Selected Participant ceases to be an Eligible Participant (otherwise than by reason of redundancy or by unilateral termination of employment by the Company without cause); (ii) the Selected Participant has been summarily dismissed by the Company; (iii) the Selected Participant has been convicted for any criminal offence involving his integrity or honesty; (iv) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in the PRC, Hong Kong or any other applicable laws or regulations in force from time to time; (v) the Selected Participant has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; (vi) the Selected Participant has become bankrupt or unable to pay his or her debts, or is subject to any bankruptcy or analogous proceedings or has made any arrangement or composition with his or her creditors generally; (vii) the Selected Participant is deceased or becomes mentally incapacitated; (viii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or (ix) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date.

## **8. Voting Rights**

Neither the Selected Participant nor the Trustee may exercise any of the voting rights in respect of any Restricted Shares that have not yet vested. Upon the Restricted Shares being vested and transferred in the relevant Selected Participant, each Selected Participant shall be entitled to exercise all voting rights in respect of such Restricted Shares.

## **9. Assignment of Award**

Any Award granted under the Scheme are personal to such Selected Participant and cannot be assigned or transferred, except the prior written approval of the Board. Any attempt by each Selected Participant to sell, transfer, charge, mortgage, grant, encumber or create any interest in favor of any third party over the Restricted Shares outstanding and unvested to which he/she is entitled shall be null and void, except in accordance with the Scheme.

## **10. Alteration of the Scheme**

The Scheme may be altered or varied in any respect by a resolution of the Board, provided that any alteration or variation which will materially and adversely affect the subsisting rights of a Selected Participant (present or future) shall be approved by an ordinary resolution at a meeting of the shareholders of the Company.

## **11. Duration and Termination**

The Scheme commences on the Adoption Date and remains valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the Board.

Upon termination (whether due to early termination or upon expiry of the Scheme) of the Scheme, no further Restricted Shares shall be granted by the Trustee. Following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or can be made under the Scheme (whichever is later), the Trustee shall sell all Returned Shares and non-cash income remaining in the Trust, if any, and remit the proceeds of sale of the same together with any Residual Cash accrued in the Trust, after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities to the Company forthwith after the sale.

## **LISTING RULES IMPLICATION**

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for the adoption of the Scheme.

## **GRANT OF RESTRICTED SHARES UNDER RESTRICTED SHARE AWARD SCHEME**

On January 15, 2018, the Board approved the grant of 3,122,240 Restricted Shares in aggregate to 259 employees of the Company (collectively the “**Grantees**”), subject to the acceptance of the Grantee, pursuant to the Scheme (the “**Grant**”). Details of the Grant are set out as follows:

Number of Grant Shares:	an aggregate of 3,122,240 Restricted Shares, representing approximately 0.27% of the issued share capital of the Company as at the Adoption Date
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Number of Grantees:	259 employees of the Group, and to the best knowledge of the Directors, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them
Grant date:	January 15, 2018
Market price of the Shares:	The closing price of the Shares on the Adoption Date as quoted on the Stock Exchange is HK\$55.00 per Share  The average closing price of the Shares for the five consecutive trading days immediately preceding the Adoption Date as quoted on the Stock Exchange is HK\$51.56 per Share

The Company will issue and allot to the Trustee 3,122,240 new Shares in accordance with the terms of the Rules. The Shares so issued will be used to satisfy the Grant pursuant to the Scheme. The new Shares to be issued and allotted by the Company to the Trustee represent approximately 0.27% of the Company's issued share capital as at the Adoption Date and approximately 0.27% of the Company's enlarged issued share capital after such allotment and issue.

To the best of knowledge, information and belief of the Directors after making all reasonable enquiries, the Trustee and its ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company, and none of the Trustee and its ultimate beneficial owners and the Grantees is a director or a substantial shareholder of the Group (as defined under the Listing Rules) as at the time of the Grant.

The new Shares, when issued and fully paid, will rank *pari passu* among themselves and with the other Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of the issue and allotment. Pursuant to the Scheme, the Trustee shall not exercise the voting rights in respect of any Shares held by it under trust. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 3,122,240 new Shares to be allotted and issued.

Taking into account the purposes and objectives of the Scheme, the Company considers that the Grant is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

## DEFINITION

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

<b>Term</b>	<b>Definition</b>
“Account”	the bank account opened in the name of the Trust, managed by the Trustee, and operated solely for the purposes of operating the Scheme, which is held on trust for the benefit of Selected Participants and can be funded by the Company or any of its Subsidiaries
“Actual Selling Price”	the actual price at which the Restricted Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Rule 18 of the Rules, the consideration receivable under the related scheme or offer;
“Adoption Date”	January 15, 2018, being the date on which the Scheme is adopted by the Board upon recommendation of the Remuneration Committee
“Award”	an award granted by the Board to a Selected Participant, which may vest in the form of Restricted Shares or the Actual Selling Price of the Restricted Shares in cash, as the Board may determine in accordance with the terms of the rules of the Scheme
“Board”	the board of directors of the Company from time to time
“Company”	WuXi Biologics (Cayman) Inc., a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Stock Exchange of Hong Kong Limited
“Director(s)”	directors of the Company or any one of them
“Eligible Participant(s)”	any Director or employee of the Company or any of its subsidiaries
“Grant Date”	the date on which the grant of an Award is made to an Eligible Participant



“Group”	the Company and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice of Award”	the notice issued by the Company to each Selected in such form as determined from time to time by the Board or its delegate(s), specifying the date on which the grant of an Award is made to a Selected Participant (being the date of the Notice of award), the number of Restricted Shares, the vesting criteria and conditions, the Vesting Date and such other details as they may consider necessary
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Related Income”	all income derived from any Share (including, but not limited to, dividends and other cash distributions, any bonus Shares and scrip Shares received in respect of the Share) held upon the Trust. For the avoidance of doubt, nil paid rights, bonus warrants, non-cash and non-scrip distributions are excluded
“Residual Cash”	cash remaining in the Trust Fund and sale proceeds (including the cash proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of any Shares held upon the Trust), other than Related Income
“Restricted Share(s)”	any Share that may be offered by the Company to any Selected Participant pursuant to the Scheme
“Returned Shares”	such Restricted Shares that are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares under the Rules
“Rules”	the rules of the Scheme adopted by the Board on the Adoption Date
“Scheme” or “Restricted Share Award Scheme”	the scheme constituted by the Rules as amended from time to time

“Selected Participant(s)”	any Eligible Participant(s) selected by the Board in accordance with the terms of the Scheme
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended from time to time
“Shares”	shares of US\$0.000025 each in the share capital of the Company (or of such other nominal amount as may result from a sub-division, consolidation, reclassification or reconstruction of such share capital from time to time) that are listed on the Stock Exchange
“Trust”	WuXi Biologics (Cayman) Inc. Restricted Share Award Scheme Trust constituted under the Trust Deed or other trust(s) from which Restricted Shares may be granted to a Selected Participant pursuant to the Scheme
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
“Trust Fund”	(a) any Shares acquired by the Trustee for the purpose of the Trust out of cash paid to the Trustee by way of settlement or otherwise contributed by the Company by way of allotment of new shares; (b) all Residual Cash, Related Income and Related Distributions of, and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from, the Shares held by the Trust; and (c) all other properties from time to time representing (a) and (b) above
“Trustee”	the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) to be appointed by the Company for the administration of the Scheme or any additional or replacement trustee(s)

“Vesting Date” the date on which the Restricted Shares is vested by a Selected Participant

“%” per cent

By order of the Board  
**WuXi Biologics (Cayman) Inc.**  
**Dr. Ge Li**  
*Chairman*

Hong Kong, January 15, 2018

*As of the date of this announcement, the Board comprises Dr. Zhisheng Chen and Dr. Weichang Zhou as executive Directors; Dr. Ge Li, Mr. Edward Hu, Mr. Yibing Wu and Mr. Yanling Cao as non-executive Directors; and Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Wo Felix Fong as independent non-executive Directors.*

*\* For identification purpose only*