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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)

DISCLOSEABLE AND CONNECTED TRANSACTION FORMATION OF OFFSHORE JV

Reference is made to the announcements of the Company dated July 18, 2018 and May 20, 2019 (collectively, the “**Announcements**”). As set out in Announcements, the Company has established a joint venture in the PRC (the “**Onshore JV**”) with Hile which is owned by the Company and Hile as to 70% and 30%, respectively, and primarily engages in vaccine CDMO and related business. Further, the Company entered into a letter of intent (“**LOI**”) with a global vaccine leader pursuant to which the Company will, through a new joint venture to be established with Hile, build an integrated facility for manufacturing of vaccine.

In light of the above, the Board is pleased to announce that on May 24, 2019, the Company has established the Offshore JV; and on August 29, 2019, Biologics Investments and the Offshore JV, both being wholly-owned subsidiaries of the Company, and Hile entered into the Share Transfer Agreement, pursuant to which Biologics Investments has agreed to transfer the Sale Shares representing 30% of the total issued share capital in the Offshore JV to Hile at a nominal consideration. Upon Completion, (i) the Offshore JV will be owned by Biologics Investments and Hile as to 70% and 30%, respectively (i.e. the same ultimate ownership structure of the Onshore JV); and (ii) the Offshore JV will continue to be a subsidiary of the Company.

As at the date of this announcement, the Offshore JV has no business operation nor assets. It is intended that the Offshore JV will principally engage in vaccine CDMO business, build an integrated vaccine manufacturing facility, including drug substance (DS) manufacturing, drug product (DP) manufacturing as well as quality control (QC) labs and manufacture and supply vaccine for the global market. As agreed between the parties, to satisfy its future funding needs, Biologics Investments and Hile, as shareholders, may make further capital injection, on pro rata basis, up to US\$98,000,000 and US\$42,000,000, respectively, into the Offshore JV at such times and in such amounts as determined by the Offshore JV.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum capital injection into the Offshore JV by Biologics Investments in relation to the transaction contemplated under the Share Transfer Agreement is more than 5% but all of them are less than 25%, the entering into the Share Transfer Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

On the other hand, as Hile is a substantial shareholder of a non-wholly owned subsidiary of the Company as at the date of this announcement, it is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Therefore, the entering of the Share Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum capital injection into the Offshore JV by Hile in relation to the transaction contemplated under the Share Transfer Agreement is more than 0.1% but all percentage ratios are less than 5%, the Share Transfer Agreement is only subject to the reporting and announcement requirements but is exempt from the circular and the approval by the independent shareholders of the Company requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated July 18, 2018 and May 20, 2019 (collectively, the “**Announcements**”). As set out in the Announcements, the Company has established a joint venture in the PRC (the “**Onshore JV**”) with Hile which is owned by the Company and Hile as to 70% and 30%, respectively, and primarily engages in vaccine CDMO and related business. Further, the Company entered into a letter of intent (“**LOI**”) with a global vaccine leader pursuant to which the Company will, through a new joint venture to be established with Hile, build an integrated facility for manufacturing of vaccine.

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SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are summarized below:

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| Date: | August 29, 2019 |
| Parties: | (1) Biologics Investments; (2) Hile; and (3) Offshore JV |
| Subject matter: | the Sale Shares representing 30% of the total issued share capital in the Offshore JV |
| Consideration: | At nominal consideration of HK\$1.00 in cash to be paid upon the completion of Share Transfer |

The Consideration was determined after arm's length negotiation among the parties to the Share Transfer Agreement with reference to the net asset value as shown in the management accounts of the Offshore JV.

Further capital injection: As agreed by the parties, to satisfy its future funding needs, Biologics Investments and Hile, as shareholders, may make further capital injection, on pro rata basis, up to US\$98,000,000 and US\$42,000,000 (their respective “**Subscription Limit**”), respectively, into the Offshore JV at such times and in such amounts as determined by the Offshore JV.

The Subscription Limit was determined after arm’s length negotiation among the parties to the Share Transfer Agreement with reference to the capital injection intentions and the respective shareholdings of Biologics Investments and Hile upon Completion. Capital injection by Biologics Investments will be funded by the internal resources of the Group.

Board Composition: The board of directors of the Offshore JV (the “**Offshore JV Board**”) shall consist of three directors, of which two shall be designated by Biologics Investments, being Dr. Ge Li and Dr. Zhisheng Chen and one shall be designated by Hile, being Mr. Haiming Zhang (the “**Director Designation Right**”). The chairman of the board of directors of the Offshore JV shall be a director nominated by Biologics Investments, with a term of office of three years. The chief executive officer and the chief financial officer of the Offshore JV shall also be designated by Biologics Investments and approved by the Offshore JV Board.

Director Designation Right: Each of Biologics Investments and Hile shall forfeit its Director Designation Right at such time when it, together with its permitted transferee(s), directly or indirectly holds less than 10% of the Offshore JV’s then total issued and outstanding shares (on a non-diluted basis) and at such time it shall cause any director designated by it pursuant to its Director Designation Right to immediately submit a resignation from the Offshore JV Board and the board of directors of each applicable subsidiary of the Offshore JV.

INFORMATION ON THE GROUP AND THE PARTIES TO THE SHARE TRANSFER AGREEMENT

The Group is principally engaged in the provision of end-to-end solutions and services for biologics discovery, development and manufacturing to customers involving in biologics industry in both the PRC and other overseas countries.

The Offshore JV is a company incorporated with limited liability under the laws of Hong Kong on May 24, 2019 with paid-up share capital of HK\$1,000. Since its incorporation up to the date of this announcement, it has not conducted any business operations and has not held any assets nor incurred any liabilities. It was established pursuant to the LOI. Prior to the Completion, the Offshore JV is an indirect wholly-owned subsidiary of the Company.

Hile is a company incorporated in the PRC with limited liability and has been listed on the Shanghai Stock Exchange (Stock code: 603718) since 2015. It is primarily engaged in the development, production and sales of animal vaccine and has years of experience in vaccine development and manufacturing. Hile is a substantial shareholder of a non-wholly owned subsidiary of the Company as at the date of this announcement, thus a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE TRANSFER AGREEMENT

Through the Share Transfer, the Company and Hile will be able to further complement the strengths and share the resources of each other to the benefit of the future business development of the Offshore JV. The entering of the Share Transfer Agreement, following the establishment of the Offshore JV, is another milestone achieved by the Company in its exploration of the vaccine CDMO business. The Directors believe that the Share Transfer is in line with the Company's overall development strategy and it will seize the emerging opportunities of vaccine CDMO business, which in turn benefit the development of healthcare industry and the sustainable development of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Share Transfer Agreement and therefore are not required to abstain from voting on the board resolutions relating to the Share Transfer Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum capital injection into the Offshore JV by Biologics Investments in relation to the transaction contemplated under the Share Transfer Agreement is more than 5% but all of them are less than 25%, the entering into the Share Transfer Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

On the other hand, as Hile is a substantial shareholder of a non-wholly owned subsidiary of the Company as at the date of this announcement, it is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Therefore, the entering of the Share Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum capital injection into the Offshore JV by Hile in relation to the transaction contemplated under the Share Transfer Agreement is more than 0.1% but all percentage ratios are less than 5%, the Share Transfer Agreement is only subject to the reporting and announcement requirements but is exempt from the circular and the approval by the independent shareholders of the Company requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

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| “Board” | the board of Directors from time to time |
| “Biologics Investments” | WuXi Biologics Investments Limited (藥明生物投資有限公司), a company incorporated under the laws of Hong Kong on November 18, 2010 with limited liability and a wholly-owned subsidiary of the Company |
| “CDMO” | Contract development and manufacturing organization |
| “Company” | WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange |

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| “Completion” | the completion of the Share Transfer pursuant to the terms of the Share Transfer Agreement |
| “Completion Date” | the date of Completion |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Consideration” | the nominal consideration for the transfer of 30% of the equity interests in the Offshore JV |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries from time to time |
| “Hile” | Shanghai Hile Bio-pharmaceutical Co., Ltd. (上海海利生物技術股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (Stock code: 603718) in 2015 |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Offshore JV” | WuXi Vaccines (Hong Kong) Limited, a company incorporated under the laws of Hong Kong on May 24, 2019 with limited liability and a direct wholly-owned subsidiary of Biologics Investments as at the date of the Share Transfer Agreement |
| “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) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Shares” | 30% of the total issued share capital in the Offshore JV to be transferred by Biologics Investment to Hile under the Share Transfer Agreement |

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| “Share Transfer Agreement” | the share transfer agreement entered into among, Biologics Investments, Hile and the Offshore JV in relation to the Share Transfer |
| “Share Transfer” | the transfer of the Sale Shares by Biologics Investments to Hile in accordance with the terms of the Share Transfer Agreement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |
| “substantial shareholder” | has the meaning ascribed to it under the Listing Rules |
| “US\$” | United States dollars, the lawful currency of the United States |
| “%” | per cent |

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

Hong Kong, August 29, 2019

As at 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*