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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)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE
ON FULLY UNDERWRITTEN BASIS**

Sole Global Coordinator and Lead Bookrunner

Morgan Stanley

Co-Bookrunners

J.P.Morgan

**Goldman
Sachs**

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On February 2, 2021 (after trading hours), the Company and the Placing Agent entered into the Primary Placing Agreement pursuant to which the Placing Agent agreed to place 118,000,000 Primary Placing Shares (or, failing which, to purchase itself as principal) on a fully underwritten basis to currently expected not less than six independent professional, institutional and/or other investors who are or will be Independent Third Parties at a price of HK\$112.00 each. The Primary Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Primary Placing Shares. The Primary Placing Shares are to be issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Primary Placing, the Primary Placing Shares represent (i) approximately 2.88% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.80% of the issued share capital of the Company as enlarged by the issue and allotment of the Primary Placing Shares. The aggregate nominal value of the Primary Placing Shares will be approximately US\$983.33.

Assuming the Primary Placing Shares are fully placed, the gross proceeds from the Primary Placing are expected to be approximately HK\$13,216.00 million (equivalent to approximately US\$1,694.36 million), the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$13,121.24 million (equivalent to approximately US\$1,682.21 million), and the net price per Primary Placing Share will be approximately HK\$111.20. The Company intends to apply the net proceeds from the Primary Placing in the following manner: (i) approximately 40% will be used for merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing to match a rapidly growing pipeline; (ii) approximately 40% will be used for building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms; (iii) approximately 10% will be used for investment in mRNA (messenger RNA) related technologies to further enable its global clients; and (iv) approximately 10% shall be used for general corporate purposes of the Group.

The Primary Placing Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Primary Placing is subject to fulfilment of the conditions under the Primary Placing Agreement. As the Primary Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Date: February 2, 2021 (after trading hours)

Parties:

- (1) The Company
- (2) Morgan Stanley & Co. International plc, as the Placing Agent

Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

Placees

The Placing Agent will place the Primary Placing Shares (or, failing which, to purchase itself as principal) to currently expected not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties.

Placing Shares

The Primary Placing Shares will be placed by the Placing Agent on a fully underwritten basis. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Primary Placing, the Primary Placing Shares represent (i) approximately 2.88% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.80% of the issued share capital of the Company as enlarged by the issue and allotment of the Primary Placing Shares. The aggregate nominal value of the Primary Placing Shares will be approximately US\$983.33.

Primary Placing Price

The Primary Placing Price is HK\$112.00 per Share and represents:

- (i) a discount of approximately 6.98% to the closing price of HK\$120.40 per Share as quoted on the Stock Exchange on February 2, 2021, the last trading day prior to the date of this announcement; and
- (ii) a discount of approximately 0.80% to the average closing price of approximately HK\$112.9 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including February 2, 2021.

The Primary Placing Price was determined after arm's length negotiations between the Company and the Placing Agent, with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Primary Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

The costs of the Primary Placing shall be borne by the Company (including the costs and expense of legal and professional advisers and out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Primary Placing).

Rights and Ranking of the Primary Placing Shares

The Primary Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of issue of the Primary Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Primary Placing Shares and duly listed on the Stock Exchange. The Primary Placing Shares will be fully paid and will rank, upon issue, *pari passu* in all respects with the other Shares in issue on the date of issue and allotment of the Primary Placing Shares.

Termination Events

Notwithstanding anything contained in the Primary Placing Agreement, if at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Primary Placing; or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (ii) any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC, the Cayman Islands, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the PRC, the Cayman Islands, the United Kingdom, the European Union or the United States of war or a state of emergency or calamity or crisis; or

- (iii) any change or development in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets), which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Primary Placing; or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (iv) any change or development in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Primary Placing; or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (v) any suspension of dealings in the Shares for the period commencing upon the execution of the Primary Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agent may agree in writing) whatsoever (other than as a result of the Primary Placing); or
 - (vi) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the New York Stock Exchange Amex Equities, the London Stock Exchange, the Singapore Stock Exchange or the Tokyo Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) (i) any breach of any of the representations, warranties and undertakings by the Company under the Primary Placing Agreement (or, in the case of any such representations, warranties and undertakings which are not qualified by materiality, any breach of any of such representations, warranties and undertakings in any material respect) comes to the knowledge of the Placing Agent; (ii) any event occurs or any matter arises on or after the date of the Primary Placing Agreement and prior to the completion of the Primary Placing on the Closing Date which if it had occurred or arisen before the date of the Primary Placing Agreement would have rendered any of the representations, warranties and undertakings set out in the Primary Placing Agreement untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Primary Placing Agreement in any material respect on the part of the Company; or

- (c) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Primary Placing Agreement) as a whole which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Primary Placing or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

then and in any such case, the Placing Agent may terminate the Primary Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date.

In the event that the Placing Agent terminates the Primary Placing Agreement, all obligations of each of the parties under the Primary Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Primary Placing Agreement except for, among other things, any antecedent breach of any obligations under the Primary Placing Agreement.

Shareholders and investors are therefore advised to exercise caution when dealing in the Shares and other securities of the Company.

Condition of the Primary Placing

Completion of the Primary Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Primary Placing Shares pursuant to the Primary Placing Agreement (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Primary Placing Shares pursuant to the Primary Placing Agreement).

Completion of the Primary Placing

Completion of the Primary Placing will take place on the Business Day following the day on which the condition referred to above is fulfilled but in any event no later than February 10, 2021, or such other date as the parties may agree in writing.

Application for Listing

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the new Shares to be issued pursuant to the Primary Placing.

General Mandate to Issue the Primary Placing Shares

The Primary Placing Shares are to be issued pursuant to the General Mandate. Under the General Mandate, the Company is authorized to issue up to 785,469,846 Shares (taking into account and after the Share Subdivision). As at the date of this announcement, the Company has issued 135,000,000 Shares (taking into account and after the Share Subdivision) pursuant to the General Mandate and therefore the Company is permitted to issue up to 650,469,846 Shares (taking into account and after the Share Subdivision) under the General Mandate. Accordingly, the issue of the Primary Placing Shares is not subject to any further approval of the Shareholders.

Lock-up Undertaking by the Company

The Company has undertaken to the Placing Agent that, for a period from the date of the Primary Placing Agreement up to six months after the Closing Date, neither the Company nor any person acting on its behalf will (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agent.

Co-Bookrunners

The Company has appointed J.P. Morgan Securities (Asia Pacific) Limited and Goldman Sachs (Asia) L.L.C. as co-bookrunners in respect of the Primary Placing.

REASONS FOR THE PRIMARY PLACING AND USE OF PROCEEDS

Assuming the Primary Placing Shares are fully placed, the gross proceeds from the Primary Placing are expected to be HK\$13,216.00 million (equivalent to approximately US\$1,694.36 million). The net proceeds from the Placing (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$13,121.24 million (equivalent to approximately US\$1,682.21 million), and the net price per Primary Placing Share will be approximately HK\$111.20.

In order to capture the new business opportunities available to the Company due to the increasing demand for discovery, development and manufacturing of biologics globally, the Group has continued to maintain its effective execution of Win-the-Molecule strategy, while substantially expanding its capabilities and capacity. Accordingly, the Company intends to apply the net proceeds from the Primary Placing in the following manner:

- (i) approximately 40% will be used for mergers and acquisitions of additional capacities for drug substances/drug products (DS/DP) manufacturing to match a rapidly growing pipeline;
- (ii) approximately 40% will be used for building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms;
- (iii) approximately 10% will be used for investment in mRNA (messenger RNA) related technologies to further enable its global clients; and
- (iv) approximately 10% shall be used for general corporate purposes of the Group.

In light of the above, the Directors (including independent non-executive Directors) consider that the Primary Placing represents a good opportunity for the Company to raise further capital to fund its future expansion and keep up with its current business development. The Directors (including independent non-executive Directors) are of the view that the Primary Placing, the Primary Placing Price and the Primary Placing Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has previously conducted a placing of new shares pursuant to a primary placing agreement dated June 29, 2020, the net proceeds of which were approximately HK\$6,121.99 million. Please refer to the Company's announcement dated June 30, 2020 and the section headed "Reasons for the Primary Placing and Use of Proceeds" in the announcement for more information on the placing and the announced use of proceeds. There has been no change in the intended use of net proceeds as previously disclosed in the said announcement and the Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purposes depending on its actual business needs.

Save as disclosed above, the Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after the Primary Placing will be as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Primary Placing	
	No. of Shares	%	No. of Shares	%
Biologics Holdings (Note 1)	843,251,133	20.61	843,251,133	20.03
Dr. Zhisheng Chen (Note 2)	119,804,550	2.93	119,804,550	2.85
Mr. Edward Hu (Note 2)	2,151,180	0.05	2,151,180	0.05
Mr. Weichang Zhou (Note 2)	15,916,157	0.39	15,916,157	0.38
Mr. William Robert Keller (Note 2)	15,312	0.00	15,312	0.00
Mr. Teh-Ming Walter Kwauk (Note 2)	13,680	0.00	13,680	0.00
Places	–	–	118,000,000	2.80
Other public Shareholders	3,110,996,559	76.02	3,110,996,559	73.89
Total	<u>4,092,148,571</u>	<u>100.00</u>	<u>4,210,148,571</u>	<u>100.00</u>

Notes:

1. New WuXi Life Science Holdings Limited wholly owned New WuXi Life Science Limited, which wholly owned WuXi PharmaTech (Cayman) Inc., and thereby in turn controlled 42.29% of the voting power at general meetings of Biologics Holdings. While Biologics Holdings directly owns 843,251,133 Shares and New WuXi Life Science Holdings Limited, New WuXi Life Science Limited and WuXi PharmaTech (Cayman) Inc. are deemed to be interested in the Shares held by Biologics Holdings.
2. Each being a Director.

GENERAL INFORMATION ON THE GROUP

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 Primary Placing Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Primary Placing is subject to fulfilment of the conditions under the Primary Placing Agreement. As the Primary Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Biologics Holdings”	WuXi Biologics Holdings Limited, a company incorporated under the laws of the British Virgin Islands on December 17, 2015 with limited liability and a substantial shareholder of the Company
“Business Day”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong

“Closing Date”	the Business Day after the date on which the condition stated in the Primary Placing Agreement is fulfilled but in any event no later than February 10, 2021, or such other date as the Company and the Placing Agent may agree in writing
“Company”	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on February 27, 2014
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the written resolutions passed by the Shareholders dated June 9, 2020
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Placee(s)”	professional, institutional or other investors whom the Placing Agent have procured to purchase any Primary Placing Shares pursuant to their obligations under the Primary Placing Agreement
“Placing Agent”	Morgan Stanley & Co. International plc

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macao Special Administrative Region and Taiwan
“Primary Placing”	the placement of the Primary Placing Shares to the Placee(s) at the Primary Placing Price pursuant to the Primary Placing Agreement
“Primary Placing Agreement”	the placing agreement dated February 2, 2021 between the Company and the Placing Agent in respect of the Primary Placing
“Primary Placing Price”	the placing price of HK\$112.00 per Placing Share
“Primary Placing Share(s)”	118,000,000 new Shares, representing approximately 2.88% of the existing issued share capital of the Company and approximately 2.80% of the issued share capital of the Company as enlarged by the Primary Placing
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$1/120,000 each
“Share Subdivision”	the share subdivision of the Company effective since November 16, 2020
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, February 3, 2021

For the purpose of this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.80. The exchange rate is used for illustration purposes only and should not be taken as a representation that the HK\$ amount could actually be converted into US\$ at that rate, or at all.

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. Kenneth Walton Hitchner III as independent non-executive Directors.

** For identification purpose only*