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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)

- (1) GRANT OF RESTRICTED SHARES UNDER RESTRICTED SHARE AWARD SCHEME;**
- (2) CONNECTED TRANSACTION INVOLVING PROPOSED GRANT OF RESTRICTED SHARES TO CONNECTED PERSONS; AND**
- (3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR**

GRANT OF RESTRICTED SHARES UNDER RESTRICTED SHARE AWARD SCHEME; AND CONNECTED TRANSACTION INVOLVING PROPOSED GRANT OF RESTRICTED SHARES TO CONNECTED PERSONS

The Board is pleased to announce that on March 24, 2021, it has approved, subject to acceptance of the Grantees and other conditions, the grant of 6,229,361 Restricted Shares in aggregate to the Grantees, of which (i) 4,736,220 Restricted Shares are granted to 1,617 employees of the Company (who are not connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the 2020 General Mandate and in accordance with the terms of the Rules; and (ii) 1,493,141 Restricted Shares are proposed to be granted to 5 Directors and 3 Subsidiary Directors (who are connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the Specific Mandate and in accordance with the terms of the Rules.

The new Shares to be issued and allotted by the Company to the Trustee represent approximately 0.15% of the Company's issued share capital as at the date of this announcement and approximately 0.15% of the Company's enlarged issued share capital after the said issue and allotment.

LISTING RULES IMPLICATIONS

The Connected Grantees, being the Directors and the Subsidiary Directors, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed issue and allotment of Connected Restricted Shares to the Connected Grantees under the Scheme shall constitute a connected transaction for the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

The AGM will be convened and held to consider, and if thought fit, approve, among other things, the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder.

A circular containing, among other things, further details of the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder, a letter of advice from the Independent Financial Advisor to the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder, other relevant resolutions to be considered at the AGM, and the notice convening the AGM will be despatched to the Shareholders on or before May 17, 2021.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

As all the independent non-executive Directors form part of the Connected Grantees which would cause them to have material interest in the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder at the AGM, no independent board committee will be formed.

Opus Capital has been appointed as the Independent Financial Advisor to advise the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares, the Specific Mandate and the transactions contemplated thereunder.

Reference is made to the Announcements in relation to the adoption of restricted share award scheme and appointment of trustee, a summary of the principal terms of which was set out in the Announcements. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

GRANT OF RESTRICTED SHARES UNDER RESTRICTED SHARE AWARD SCHEME AND CONNECTED TRANSACTION INVOLVING PROPOSED GRANT OF RESTRICTED SHARES TO CONNECTED PERSONS

The Board is pleased to announce that on March 24, 2021, it has approved, subject to acceptance of the Grantees and other conditions, the grant of 6,229,361 Restricted Shares in aggregate to the Grantees, of which (i) 4,736,220 Restricted Shares are granted to 1,617 employees of the Company (who are not connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the 2020 General Mandate and in accordance with the terms of the Rules; and (ii) 1,493,141 Restricted Shares are proposed to be granted to 5 Directors and 3 Subsidiary Directors (who are connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the Specific Mandate and in accordance with the terms of the Rules.

The new Shares to be issued will be held on trust for the Grantees until the end of each vesting period which may differ among the Grantees and be transferred to the Grantees upon satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the Grant.

The new Shares to be issued and allotted by the Company to the Trustee pursuant to the Grant represent approximately 0.15% of the Company's issued share capital as at the date of this announcement and approximately 0.15% of the Company's enlarged issued share capital after the said issue and allotment.

Set out below are the details of the Grant:

Name of the Grantees	Number of Grant Shares
Non-connected Grantees	
1,617 employees of the Group, and to the best knowledge of the Directors, are not connected persons of the Company	4,736,220
Connected Grantees	
Directors	
Dr. Zhisheng Chen (<i>Executive Director</i>)	945,200
Dr. Weichang Zhou (<i>Executive Director</i>)	263,679
Mr. William Robert Keller (<i>Independent non-executive Director</i>)	2,467
Mr. Teh-Ming Walter Kwauk (<i>Independent non-executive Director</i>)	4,934
Mr. Kenneth Walton Hitchner III (<i>Independent non-executive Director</i>)	4,934
	1,221,214

Name of the Grantees	Number of Grant Shares
Subsidiary Directors	
Mr. Jian Dong	156,202
Mr. Angus Scott Marshall Turner	98,305
Mr. Brendan McGrath	<u>17,420</u>
	<u>271,927</u>
Total Connected Restricted Shares	<u>1,493,141</u>
Total Grant Shares	<u><u>6,229,361</u></u>

Grant Date: March 24, 2021, subject to the acceptance of the Grantees and other conditions as many be determined by the Board. In particular, the grant to the Connected Grantees will be subject to the approval by the Independent Shareholders at the AGM

Market price of the Shares: The closing price of the Shares on the date of Grant as quoted on the Stock Exchange is HK\$87.95 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of Grant as quoted on the Stock Exchange is HK\$91.20 per Share

Issue and Allotment of the Restricted Shares

The issue and allotment of 4,736,220 new Restricted Shares to the Non-connected Grantees shall be subject to the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in such Restricted Shares.

The issue and allotment of the 1,493,141 Connected Restricted Shares to the Connected Grantees shall be subject to (i) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the Connected Restricted Shares, the Specific Mandate and the transactions contemplated thereunder; and (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Connected Restricted Shares.

REASONS FOR THE GRANT OF RESTRICTED SHARES

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 Scheme forms part of the incentive schemes of the Group. The Board considers that the grant of the Restricted Shares to the Grantees is to (i) recognize the contributions made to the Group by the Grantees; (ii) encourage, motivate and retain the Grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the Grantees to achieve performance goals, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Grantees to the Shareholders through ownership of Shares.

With respect to the Connected Grantees, the Restricted Shares granted to the executive Directors, namely, Dr. Zhisheng Chen and Dr. Weichang Zhou, and the Subsidiary Directors, namely, Mr. Jian Dong, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath, (i) serves as discretionary and promotion bonus in recognition of their valuable and substantial contributions to the Group; and (ii) form part of their remuneration package for their services provided by them to the Group. On the other hand, the grant to the independent non-executive Directors, namely, Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III, form part of their remuneration package for the services provided by them to the Company.

As the Grant will be satisfied by the issue and allotment of new Restricted Shares, there will not be any actual cash outflow by the Group under the Grant. In light of the above, the Directors consider that the number of Restricted Shares, the terms and conditions of the Grant as well as the issue and allotment of new Restricted Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Upon issue and allotment of the new Restricted Shares, the Trustee will hold the new Restricted Shares on behalf of the Grantees. Such new Restricted Shares will be transferred to the Grantees at nil consideration at the end of each vesting period which may differ among the Grantees and upon satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the Grant. As such, no fund will be raised by the Company as a result of the issue and allotment of the new Restricted Shares.

LISTING RULES IMPLICATIONS

The Connected Grantees, being the Directors and the Subsidiary Directors, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed issue and allotment of Connected Restricted Shares to the Connected Grantees under the Scheme shall constitute a connected transaction for the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement, circular and the Independent Shareholders' approval under the Listing Rules.

The AGM will be convened and held to consider, and if thought fit, approve, among other things, the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, save for the Connected Grantees and their respective associates as at the date of this announcement, no other Shareholder is required to abstain from voting on the resolution(s) to approve, among other things, the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder at the AGM.

A circular containing, among other things, further details of the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder, a letter of advice from the Independent Financial Advisor to the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder, other relevant resolutions to be considered at the AGM, and the notice convening the AGM will be despatched to the Shareholders on or before May 17, 2021.

Each of Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III has abstained from approving the relevant board resolution on the issue and allotment of the Connected Restricted Shares to them under the Scheme.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

As all the independent non-executive Directors form part of the Connected Grantees which would cause them to have material interest in the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder at the AGM, no independent board committee will be formed.

Opus Capital has been appointed as the Independent Financial Advisor to advise the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares, the Specific Mandate and the transactions contemplated thereunder.

DEFINITIONS

“AGM”	the annual general meeting of the Company to be convened for the purpose of, among other things, considering and, if thought fit, approving, among other things, the issue and allotment of the Connected Restricted Shares, the Specific Mandate and the transactions contemplated thereunder and other resolutions to be considered at the annual general meeting
“Announcements”	the announcements of the Company dated January 15, 2018 and January 18, 2018 in relation to the adoption of restricted share award scheme and appointment of trustee
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“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 Grantee(s)”	the Grantee(s) who are connected person(s) of the Company
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Connected Restricted Shares”	1,493,141 Restricted Shares granted by the Company to the Connected Grantees
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any Director(s) or employee(s) of the Group
“Grant”	the grant of the Grant Shares to the Grantees
“Grantee(s)”	the selected Eligible Participant(s) granted or proposed to be granted the Grant Shares under the Scheme
“Grant Shares”	an aggregate of 6,229,361 Restricted Shares to be granted to the Grantees pursuant to the Grant

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Advisor” or “Opus Capital”	Opus Capital Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial advisor appointed to advise the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder
“Independent Shareholders”	the independent Shareholders other than the Connected Grantees and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-connected Grantee(s)”	the Grantee(s) who are not connected person(s) of the Company
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Restricted Shares”	any Shares that may be offered by the Company to any selected Eligible Participant under the Scheme
“Rules”	the rules governing the Scheme adopted by the Board
“Scheme”	the Restricted Share Award Scheme adopted by the Board on January 15, 2018 whereby awards of Restricted Shares may be made to Eligible Participants under the Scheme (such Shares being subscribed or purchased by the Trustee)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	the ordinary share(s) in the capital of the Company with nominal value of US\$1/120,000 each
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the AGM to grant the authority to the Board for the issue and allotment of the Connected Restricted Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Director(s)”	the director(s) or chief executive of any subsidiary of the Company
“Trustee”	the trustee for the time being of the Restricted Share Award Scheme, being Computershare Hong Kong Trustees Limited (which is independent of the Company and not connected with the Company and its connected persons)
“2020 AGM”	the annual general meeting of the Company held on June 9, 2020
“2020 General Mandate”	the general mandate granted by the Shareholders to the Directors to issue, allot and otherwise deal with new Shares at the 2020 AGM
“%”	per cent.

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

Hong Kong, March 24, 2021

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*