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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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*If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.*

*If you have sold or transferred all your shares in WuXi Biologics (Cayman) Inc., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.*

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.*

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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) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**
- (2) CONNECTED TRANSACTION INVOLVING GRANTS OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE**
- (3) GRANTS OF SHARE OPTIONS UNDER THE SUBSIDIARY SHARE OPTION SCHEMES**
- (4) PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**
- (5) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

**Independent Financial Advisor to the Independent Shareholders**



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The notice convening the Annual General Meeting of WuXi Biologics (Cayman) Inc. to be held at 26/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, June 10, 2022 at 10:00 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, June 8, 2022, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish. In such event, the form of proxy shall be deemed to be revoked.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wuxibiologics.com](http://www.wuxibiologics.com)).

A letter from the Board is set out on pages 12 to 39 of this circular. A letter from Opus Capital, the Independent Financial Advisor, containing its advice to the Independent Shareholders, is set out on pages 40 to 70 of this circular.

#### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see pages 1 and 2 of this document for measures being taken to try to prevent and control the spread of the COVID-19 at the Annual General Meeting, including:

- compulsory temperature checks
- wearing of surgical face masks
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures may be denied entry into the Annual General Meeting venue. The Company requires attendees to wear face masks and reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.

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## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue;
- (ii) Attendees are required to wear surgical face masks inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats;
- (iii) No refreshments will be served, and there will be no corporate gifts; and
- (iv) Other measures may be required by the governmental authority.

Any attendee who (a) refuses to comply with the precautionary measures; (b) is subject to any prescribed quarantine by the Hong Kong Government or has close contact with any person under quarantine; or (c) has any flu-like symptoms or is otherwise unwell will be denied entry into or be required to leave the Annual General Meeting venue at the absolute discretion of the Company as permitted by law.

**Shareholders are requested (a) to consider carefully the risk of attending the Annual General Meeting, which will be held in an enclosed environment; (b) to follow any prevailing requirements or guidelines of the Hong Kong Government relating to COVID-19 in deciding whether or not to attend the Annual General Meeting; and (c) not to attend the Annual General Meeting if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.**

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

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## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

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Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the Hong Kong Government and/or regulatory authorities, the Company may announce further updates on the Annual General Meeting arrangement on the Company's website as and when appropriate.

If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If Shareholders have any questions relating to the Annual General Meeting, please contact Tricor Investor Services Limited, the Company's branch share registrar as follows:

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong  
E-mail: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
Tel: (852) 2980 1333  
Fax: (852) 2810 8185

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at 26/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, June 10, 2022 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 103 to 109 of this circular, or any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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. Our Directors, Dr. Ge Li, Dr. Ning Zhao, Mr. Yibing Wu and Mr. Yanling Cao serve as its directors
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	WuXi Biologics (Cayman) Inc., a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Connected Grantee(s)”	the RSU Grantee(s) who are connected person(s) of the Company, namely, Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk, Mr. Kenneth Walton Hitchner III, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath

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## DEFINITIONS

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“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Connected Restricted Shares”	3,060,331 Restricted Shares granted by the Company to the Connected Grantees
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the eligible participant(s) as defined under the Scheme and the Program
“EU”	a politico-economic union of 27 member states that are located primarily in Europe
“EU EMA”	European Medicines Agency
“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 the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than the Connected Grantees and their respective associates
“Latest Practicable Date”	May 11, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

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## DEFINITIONS

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“Life Science Holdings”	New WuXi Life Science Holdings Limited, a company incorporated under the laws of the Cayman Islands on July 2, 2015 with limited liability, which holds 100% issued share capital of Life Science Limited. Our Directors, Mr. Yibing Wu and Mr. Yanling Cao serve as its directors
“Life Science Limited”	New WuXi Life Science Limited, a company incorporated under the laws of the Cayman Islands on July 2, 2015 with limited liability, which holds 100% issued share capital of WuXi PharmaTech. Our Directors, Mr. Yibing Wu and Mr. Yanling Cao serve as its directors
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company currently in force
“Memorandum of Association”	the amended and restated memorandum of association of the Company currently in force
“New Memorandum and Articles of Association”	the second amended and restated memorandum and articles of association proposed to be adopted at the Annual General Meeting, which contains the proposed amendments to the Memorandum and Articles of Association as set out in Appendix III to this circular
“Non-connected Grantee(s)”	the RSU Grantee(s) who are not connected person(s) of the Company
“Nomination Committee”	the nomination committee of the Board
“Program”	the Share Award Scheme for Global Partner Program adopted by the Board on June 16, 2021 whereby awards of Restricted Shares may be made to Eligible Participants under the Program (such Shares being subscribed or purchased by the Program Trustee)

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## DEFINITIONS

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“Program Grant”	the grant of 1,223,147 Restricted Shares to the Program Grantees on March 23, 2022
“Program Grantee(s)”	the selected Eligible Participant(s) granted or proposed to be granted the Restricted Shares under the Program
“Program Rules”	the rules governing the Program adopted by the Board
“Program Trustee”	the trustee for the time being of the Program, being Computershare Hong Kong Trustees Limited (which is independent of the Company and not connected with the Company and its connected persons)
“Remuneration Committee”	the remuneration committee of the Board
“Restricted Shares”	any Shares that may be offered by the Company to any selected Eligible Participant under the Scheme and/or the Program
“RMB”	Renminbi, the lawful currency of the PRC
“RSU Grants”	the Scheme Grant and the Program Grant
“RSU Grants Announcement”	the announcement of the Company dated March 23, 2022 in relation to, among others, the Scheme Grant and Program Grant and the appointment of the Independent Financial Advisor
“RSU Grantee(s)”	the selected Eligible Participant(s) granted or proposed to be granted the Restricted Shares under the Scheme and/or the Program
“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 Scheme Trustee)



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## DEFINITIONS

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“Scheme Grant”	the grant of 20,791,754 Restricted Shares to the Scheme Grantees on March 23, 2022
“Scheme Grantee(s)”	the selected Eligible Participant(s) granted or proposed to be granted the Restricted Shares under the Scheme
“Scheme Rules”	the rules governing the Scheme adopted by the Board
“Scheme Trustee”	the trustee for the time being of the Scheme, being Computershare Hong Kong Trustees Limited (which is independent of the Company and not connected with the Company and its connected persons)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) in the capital of the Company with nominal value of US\$1/120,000 each
“Shareholder(s)”	the holder(s) of the Shares
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to issue, allot or deal with additional Shares of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the Annual General Meeting to grant the authority to the Board for the issue and allotment of the Connected Restricted Shares

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Director(s)”	the director(s) of any subsidiary of the Company
“Subsidiaries Grants”	the grants of (i) WuXi XDC Share Options to subscribe for an aggregate of 32,160,000 WuXi XDC Shares under the WuXi XDC Share Option Scheme to Dr. Jincal Li; and (ii) WuXi Vaccines Share Options to subscribe for an aggregate of 31,980,000 WuXi Vaccines Shares under the WuXi Vaccines Share Option Scheme to Mr. Jian Dong
“Subsidiary Share Option Schemes”	the WuXi Vaccines Share Option Scheme and the WuXi XDC Share Option Scheme, and each a “Subsidiary Share Option Scheme”
“Subsidiaries”	collectively, WuXi Vaccines and WuXi XDC, and each a “Subsidiary”
“Subsidiary Groups”	collectively, the WuXi Vaccines Group and the WuXi XDC Group, and each a “Subsidiary Group”
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“Trustees”	the Scheme Trustee and the Program Trustee
“U.S.”	the United States of America
“U.S. FDA”	the U.S. Food & Drug Administration of the U.S. Department of Health and Human Services
“US\$”	United States dollars, the lawful currency of the United States of America

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## DEFINITIONS

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“WuXi AppTec”	WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a company incorporated in the PRC on December 1, 2000 and the shares of which are listed on Shanghai Stock Exchange (Stock code: 603259) and the Main Board of the Stock Exchange (Stock code: 2359)
“WuXi PharmaTech”	WuXi PharmaTech (Cayman) Inc., a company incorporated under the laws of the Cayman Islands on March 16, 2007 with limited liability. Its shares were listed on the New York Stock Exchange (stock code: WX), and were delisted from the New York Stock Exchange on December 10, 2015. Our Directors, Mr. Yibing Wu and Mr. Yanling Cao serve as the directors of WuXi PharmaTech
“WuXi Vaccines”	WuXi Vaccines (Cayman) Inc., a company incorporated under the laws of the Cayman Islands with limited liability, a non-wholly owned subsidiary of the Company
“WuXi Vaccines Board”	the board of directors of WuXi Vaccines or a duly authorized committee of the board of directors of WuXi Vaccines or such other committee as the board of directors of WuXi Vaccines may authorize for the purpose of administering the WuXi Vaccines Share Option Scheme
“WuXi Vaccines Grant”	the grant of 46,656,453 WuXi Vaccines Share Options to the WuXi Vaccines Grantees on May 16, 2022
“WuXi Vaccines Grant Announcement”	the announcement of the Company dated May 16, 2022 in relation to, among others, the WuXi Vaccines Grant
“WuXi Vaccines Grantee(s)”	the selected eligible participant(s) granted or proposed to be granted the WuXi Vaccines Share Options under the WuXi Vaccines Share Option Scheme
“WuXi Vaccines Group”	WuXi Vaccines and its subsidiaries
“WuXi Vaccines Share(s)”	ordinary share(s) of US\$0.00005 each in the share capital of WuXi Vaccines

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## DEFINITIONS

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“WuXi Vaccines Share Options”	the share options to subscribe for the WuXi Vaccines Shares pursuant to the WuXi Vaccines Share Option Scheme
“WuXi Vaccines Share Option Scheme”	the share option scheme of WuXi Vaccines adopted by the Shareholders on November 23, 2021, also referred to as a Subsidiary Share Option Scheme
“WuXi XDC”	WuXi XDC Cayman Inc., a company incorporated under the laws of the Cayman Islands with limited liability, a non-wholly owned subsidiary of the Company
“WuXi XDC Board”	the board of directors of WuXi XDC or a duly authorized committee of the board of directors of WuXi XDC or such other committee as the board of directors of WuXi XDC may authorize for the purpose of administering the WuXi XDC Share Option Scheme
“WuXi XDC Grant”	the grant of 53,067,270 WuXi XDC Share Options to the WuXi XDC Grantees on April 1, 2022
“WuXi XDC Grant Announcement”	the announcement of the Company dated April 3, 2022 in relation to, among others, the WuXi XDC Grant
“WuXi XDC Grantee(s)”	the selected eligible participant(s) granted or proposed to be granted the WuXi XDC Share Options under the WuXi XDC Share Option Scheme
“WuXi XDC Group”	WuXi XDC and its subsidiaries
“WuXi XDC Shares”	ordinary share(s) of US\$0.00005 each in the share capital of WuXi XDC
“WuXi XDC Share Options”	the share options to subscribe for the WuXi XDC Shares pursuant to the WuXi XDC Share Option Scheme
“WuXi XDC Share Option Scheme”	the share option scheme of WuXi XDC adopted by the Shareholders on November 23, 2021, also referred to as a Subsidiary Share Option Scheme

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## DEFINITIONS

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“2021 AGM”	the annual general meeting of the Company held on June 16, 2021
“2021 General Mandate”	the general mandate granted by the Shareholders to the Directors to issue, allot and deal with new Shares at the 2021 AGM
“%”	per cent.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Dr. Zhisheng Chen (*Chief Executive Officer*)  
Dr. Weichang Zhou (*Chief Technology Officer*)

*Non-executive Directors:*

Dr. Ge Li (*Chairman*)  
Dr. Ning Zhao  
Mr. Yibing Wu  
Mr. Yanling Cao

*Independent Non-executive Directors:*

Mr. William Robert Keller  
Mr. Teh-Ming Walter Kwauk  
Mr. Kenneth Walton Hitchner III

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

*Head Office in the PRC:*

No. 108, Meiliang Road  
Mashan, Wuxi  
China

*Principal Place of Business in Hong Kong:*

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

May 18, 2022

*To the Shareholders*

Dear Sir/Madam,

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**  
**(2) CONNECTED TRANSACTION INVOLVING GRANTS OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE**  
**(3) GRANTS OF SHARE OPTIONS UNDER THE SUBSIDIARY SHARE OPTION SCHEMES**  
**(4) PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**  
**(5) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND**  
**(6) NOTICE OF ANNUAL GENERAL MEETING**

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with, among other things, (i) further details of the proposed grant of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder; (ii) a letter of advice from the Independent Financial Advisor to the Independent Shareholders in respect of the proposed issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder; (iii) the proposed grants of share options under the Subsidiary Share Options Schemes; (iv) the proposed adoption of the New Memorandum and Articles of Association; and (v) information in respect of certain resolutions to be proposed at the Annual General Meeting. These resolutions include ordinary resolutions relating to, among other things, (i) the proposed re-election of each of the retiring Directors; and (ii) the proposed grant of the Share Issue Mandate and the Share Repurchase Mandate.

### 2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In relation to item 2 as set out in the notice of the Annual General Meeting, Dr. Weichang Zhou, Mr. Yibing Wu and Mr. Yanling Cao shall retire by rotation as Directors at the Annual General Meeting pursuant to Article 16.18 of the Articles of Association and, being eligible, will offer themselves for re-election at the Annual General Meeting.

To ensure that the Board has a balance of skills, knowledge, experience and gender diversity as well as different perspectives appropriate to the Company's business needs and development, the Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the retiring Directors, their qualifications, skills and experience, time commitment and contribution with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board, and the Board has accepted such recommendation, on the re-election of Dr. Weichang Zhou, Mr. Yibing Wu and Mr. Yanling Cao, who are due to retire at the Annual General Meeting, as executive Director and non-executive Directors, respectively.

The biographies of the above retiring Directors who seek for re-election at the Annual General Meeting, namely Dr. Weichang Zhou, Mr. Yibing Wu and Mr. Yanling Cao, are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 3. CONNECTED TRANSACTION INVOLVING GRANTS OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE

Reference is made to the RSU Grants Announcement in relation to, among others, the grants of Restricted Shares to the RSU Grantees and the appointment of the Independent Financial Advisor.

On March 23, 2022, the Board has approved, subject to acceptance of the Scheme Grantees and other conditions, the grant of 20,791,754 Restricted Shares in aggregate to the Scheme Grantees under the Scheme Grant, of which (i) 18,954,570 Restricted Shares are granted to 2,458 employees of the Group (who are not connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Scheme Trustee pursuant to the 2021 General Mandate and in accordance with the terms of the Scheme Rules; and (ii) 1,837,184 Restricted Shares are proposed to be granted to five Directors and two Subsidiary Directors (who are connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Scheme Trustee pursuant to the Specific Mandate and in accordance with the terms of the Scheme Rules.

On March 23, 2022, the Board has approved, subject to acceptance of the Program Grantees and other conditions, the grant of 1,223,147 Restricted Shares to two Directors and two Subsidiary Directors (who are connected persons of the Company) which shall be satisfied by the issue and allotment of new Shares to the Program Trustee pursuant to the Specific Mandate and in accordance with the terms of the Program Rules.

The new Restricted Shares so issued will be held on trust for the RSU Grantees until the end of each vesting period which may differ among the RSU Grantees and be transferred to the RSU Grantees upon satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the RSU Grants including, but not limited to, the Connected Grantees shall remain as directors or employees of the Group until the end of their respective vesting periods. Based on the closing price of HK\$65.30 per Share as quoted on the Stock Exchange as at the date of the RSU Grants Announcement (i.e. March 23, 2022), the market value of 18,954,570 new Restricted Shares to be issued and allotted to the Non-connected Grantees is HK\$1,237,733,421.00, and the 3,060,331 new Restricted Shares (being 1,837,184 new Restricted Shares under the Scheme and 1,223,147 new Restricted Shares under the Program) to be issued and allotted to the Connected Grantees is HK\$199,839,614.30. Based on the closing price of HK\$52.60 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of 18,954,570 new Restricted Shares to be issued and allotted to the Non-connected Grantees, and the 3,060,331 new Restricted Shares to be issued and allotted to the Connected Grantees are HK\$997,010,382.00 and HK\$160,973,410.60, respectively. The aggregate nominal



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## LETTER FROM THE BOARD

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value of the new Restricted Shares is approximately US\$183.46. The average closing prices of the Shares for the five consecutive trading days immediately preceding the date of the RSU Grants Announcement as quoted on the Stock Exchange is HK\$54.27 per Share.

As at the Latest Practicable Date, the Company had granted 108,901,716 Restricted Shares under the Scheme and 3,946,977 Restricted Shares under the Program. The number of Shares available for further grant under the Scheme before and after the Scheme Grant (assuming all the Restricted Shares granted are fully vested and taken into account the Restricted Shares forfeited in accordance with the terms of the Scheme) are 31,122,794 Shares and 10,331,040 Shares, respectively, representing approximately 0.74% and 0.24% of the total issued share capital of the Company as at the Latest Practicable Date. The number of Shares available for further grant under the Program before and after the Program Grant (assuming all the Restricted Shares granted are fully vested and taken into account the Restricted Shares forfeited in accordance with the terms of the Program) are 124,303,251 Shares and 123,080,104 Shares, respectively, representing approximately 2.95% and 2.92% of the total issued share capital of the Company as at the Latest Practicable Date.

### **Issue and Allotment of the Connected Restricted Shares**

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

The Company considers that the issue and allotment of the Connected Restricted Shares to the Connected Grantees is an appropriate incentive method and in the interest of the Company and its Shareholders as a whole. Unlike giving a cash bonus, the grants of the Restricted Shares will enable the Company to prevent cash outflow of the Group, while at the same time aligning the interests of the Connected Grantees with the Company and its Shareholders.

As a result of the issue and allotment of the aggregate of 22,014,901 Restricted Shares (being 20,791,754 Restricted Shares under the Scheme and 1,223,147 Restricted Shares under the Program), taking into account of 3,060,331 Connected Restricted Shares that may be issued, the shareholding interests of existing public Shareholders will be diluted from approximately 84.16% to approximately 83.72% of the total issued share capital of the Company as at the Latest Practicable Date, and the dilution effect on the shareholdings of the existing public Shareholders is

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## LETTER FROM THE BOARD

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immaterial. Accordingly, the Directors consider that the grants of the Connected Restricted Shares and the issue and allotment of new Connected Restricted Shares are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

Upon the issue and allotment of the new Connected Restricted Shares, the Trustees will hold the new Shares on trust for the Connected Grantees and such new Connected Restricted Shares shall be transferred to the Connected Grantees at nil consideration until the end of each vesting period which may differ among the Connected Grantees and subject to the satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the grants. As such, no fund will be raised by the Company as a result of the issue and allotment of the new Connected Restricted Shares.

### **Application for Listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate of 3,060,331 new Connected Restricted Shares.

## LETTER FROM THE BOARD

The new Connected Restricted Shares will be issued and allotted to the Connected Grantees with details as follows:

Names of Connected Grantees	Number of Connected Restricted Shares under the Scheme	Number of Connected Restricted Shares under the Program	Total Number of Connected Restricted Shares	Approximate market value of the Connected Restricted Shares as at the date of the RSU Grants Announcement dated March 23, 2022 HK\$ (Note 1)	Approximate market value of the Connected Restricted Shares as at the Latest Practicable Date HK\$ (Note 2)	Approximate percentage of total number of Shares in issue as at the Latest Practicable Date
<b>Directors</b>						
Dr. Zhisheng Chen	1,324,333	877,694	2,202,027	143,792,363.10	115,826,620.20	0.05%
Dr. Weichang Zhou	450,281	298,416	748,697	48,889,914.10	39,381,462.20	0.02%
Mr. William Robert Keller	4,145	—	4,145	270,668.50	218,027.00	0.00%
Mr. Teh-Ming Walter Kwauk	4,145	—	4,145	270,668.50	218,027.00	0.00%
Mr. Kenneth Walton Hitchner III	8,291	—	8,291	541,402.30	436,106.60	0.00%
<b>Sub-total</b>	<b>1,791,195</b>	<b>1,176,110</b>	<b>2,967,305</b>	<b>193,765,016.50</b>	<b>156,080,243.00</b>	<b>0.07%</b>
<b>Subsidiary Directors</b>						
Mr. Angus Scott Marshall Turner	33,565	29,251	62,816	4,101,884.80	3,304,121.60	0.00%
Mr. Brendan McGrath	12,424	17,786	30,210	1,972,713.00	1,589,046.00	0.00%
<b>Sub-total</b>	<b>45,989</b>	<b>47,037</b>	<b>93,026</b>	<b>6,074,597.80</b>	<b>4,893,167.60</b>	<b>0.00%</b>
<b>Total</b>	<b>1,837,184</b>	<b>1,223,147</b>	<b>3,060,331</b>	<b>199,839,614.30</b>	<b>160,973,410.60</b>	<b>0.07%</b>

*Notes:*

- The market value of the Connected Restricted Shares is calculated based on the closing market price of HK\$65.30 per Share as at March 23, 2022.
- The market value of the Connected Restricted Shares is calculated based on the closing market price of HK\$52.60 per Share as at May 11, 2022, being the Latest Practicable Date.

The aggregate of 3,060,331 new Connected Restricted Shares to be issued and allotted by the Company, represent (i) approximately 0.07% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 0.07% of the total number of Shares in issue as enlarged by the issue and allotment of the new Connected Restricted Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the allotment date of the new Shares, other than the issue and allotment of the new Connected Restricted Shares).

The grants of the Connected Restricted Shares to the Connected Grantees has been approved by the Board on March 23, 2022, being the date of grant subject to the acceptance of the Connected Grantees and other conditions as may be determined by the Board, including the

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## LETTER FROM THE BOARD

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Independent Shareholders' approval at the Annual General Meeting. The vesting period for the Connected Restricted Shares to be granted under the Scheme to the independent non-executive Directors (i.e. Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III) is one year, while the vesting period for the Connected Restricted Shares to be granted under the Scheme and the Program to the remaining Connected Grantees (i.e. Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath) is five years and two years, respectively. Details of the vesting period and vesting conditions for the grants of the Connected Restricted Shares are set out below:

	<b>Vesting Period</b>	<b>Vesting Conditions</b>
<b>Grants to the Connected Grantees under the Scheme</b>		
To the independent non-executive Directors	All Connected Restricted Shares shall vest on the first anniversary of the grant date.	All Connected Restricted Shares are not subject to any vesting conditions.
To the remaining Connected Grantees	20% of the total Connected Restricted Shares shall vest on the second anniversary of the grant date and the remaining 20%, 20% and 40% of the total Connected Restricted Shares granted shall vest on the third anniversary, fourth anniversary and fifth anniversary of the grant date, respectively.	All Connected Restricted Shares are not subject to any vesting conditions.
<b>Grants to the Connected Grantees under the Program</b>		
	50% of the total Connected Restricted Shares shall vest on the first anniversary of the grant date and the remaining 50% of the total Connected Restricted Shares shall vest on the second anniversary of the grant date.	Vesting of the Connected Restricted Shares is subject to certain performance targets, including the overall business performance of the Group as a whole and the prevailing market capitalization of the Company to be determined by the Board from time to time.

As the grants of the Connected Restricted Shares to the Connected Grantees under the Scheme and the Program serve different purposes as set out in the section headed "Reasons for and Benefits of the Grants of the Connected Restricted Shares to the Connected Grantees" below, the Board considers that the terms of such grants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Board determined that the Connected Grantees and the number of Restricted Shares granted to them with reference to, among other things, their respective roles, responsibilities, years of services, work experience, contributions, remuneration packages and prevailing compensation of similar positions in the market. The positions, roles, responsibilities and years of services in the Group of the Connected Grantees are set out as follows:

Names of Connected Grantees	Position	Year of services in the Group	Responsibility
<b>Directors</b>			
Dr. Zhisheng Chen	Executive Director and chief executive officer of the Company	11	Responsible for overall management of the business of the Group
Dr. Weichang Zhou	Executive Director and chief technology officer of the Company	9	Responsible for overseeing the development and manufacturing of biologics
Mr. William Robert Keller	Independent non-executive Director of the Company	5	Responsible for supervising and providing independent opinion to the Board
Mr. Teh-Ming Walter Kwauk	Independent non-executive Director of the Company	5	Responsible for supervising and providing independent opinion to the Board
Mr. Kenneth Walton Hitchner III	Independent non-executive Director of the Company	1	Responsible for supervising and providing independent opinion to the Board
<b>Subsidiary Directors</b>			
Mr. Angus Scott Marshall Turner	Director of WuXi Biologics Ireland Limited	6	Responsible for overall management of global business development and alliance management of the Group, including WuXi Biologics Ireland Limited
Mr. Brendan McGrath	Director of WuXi Vaccines Ireland Limited and WuXi Biologics Ireland Limited	4	Responsible for green field project of WuXi Biologics Ireland Limited as site head

## LETTER FROM THE BOARD

The shareholding effects of the RSU Grants as at the Latest Practicable Date and immediately after the issue, allotment and full vesting of the Connected Restricted Shares and the Restricted Shares granted to the Non-connected Grantees (assuming no other change in the issued share capital of the Company other than the issue, allotment and full vesting of the Restricted Shares) is as follows:

Names of Shareholders	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares granted to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares	%	No. of Shares	%
<b>Directors</b>				
Dr. Ge Li (Note 1)	650,251,133	15.41%	650,251,133	15.33%
Dr. Ning Zhao (Note 2)	650,251,133	15.41%	650,251,133	15.33%
<b>Sub-total</b>	<b>650,251,133</b>	<b>15.41%</b>	<b>650,251,133</b>	<b>15.33%</b>
Biologics Holdings (Note 1)	640,191,133	15.18%	640,191,133	15.10%
<b>Sub-total</b>	<b>640,191,133</b>	<b>15.18%</b>	<b>640,191,133</b>	<b>15.10%</b>
<b>Connected Grantees</b>				
<b>Directors</b>				
Dr. Zhisheng Chen (Note 3)	12,252,988	2.83%	12,252,988	2.86%
	102,532,000 share options		102,532,000 share options	
	4,491,596 Restricted Shares		6,693,623 Restricted Shares	
Dr. Weichang Zhou	47,754	0.38%	47,754	0.40%
	15,089,000 share options		15,089,000 share options	
	996,132 Restricted Shares		1,744,829 Restricted Shares	
Mr. William Robert Keller	15,307	0.00%	15,307	0.00%
	2,467 Restricted Shares		6,612 Restricted Shares	
Mr. Teh-Ming Walter Kwauk	13,675	0.00%	13,675	0.00%
	4,934 Restricted Shares		9,079 Restricted Shares	
Mr. Kenneth Walton Hitchner III	40,000	0.00%	40,000	0.00%
	4,934 Restricted Shares		13,225 Restricted Shares	

## LETTER FROM THE BOARD

Names of Shareholders	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares granted to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares	%	No. of Shares	%
<b>Subsidiary Directors</b>				
Mr. Angus Scott Marshall Turner	768,000 share options	0.02%	768,000 share options	0.02%
	121,137 Restricted Shares		183,953 Restricted Shares	
Mr. Brendan McGrath	138,493 Restricted Shares	0.00%	168,703 Restricted Shares	0.00%
<b>Sub-total</b>	12,369,724	0.29%	12,369,724	0.29%
	118,389,000 share options	2.81%	118,389,000 share options	2.79%
	5,759,693 Restricted Shares	0.14%	8,820,024 Restricted Shares	0.21%
<b>Non-connected Grantees</b>	0	0.00%	18,954,570 Restricted Shares	0.45%
<b>Sub-total</b>	12,369,724	0.29%	12,369,724	0.29%
	118,389,000 share options	2.81%	118,389,000 share options	2.79%
	5,759,693 Restricted Shares	0.14%	27,774,594 Restricted Shares	0.65%
<b>Public shareholders</b>	<b>3,550,326,232</b>	<b>84.16%</b>	<b>3,550,326,232</b>	<b>83.72%</b>
<b>Total</b>	<b>4,218,706,782</b>	<b>100%</b>	<b>4,240,721,683</b>	<b>100%</b>

*Notes:*

- Dr. Ge Li controlled 19.66% of the issued share capital of Biologics Holdings and 55.03% of the voting power at its general meetings. Hence, Dr. Ge Li is deemed to be interested in 640,191,133 Shares held by Biologics Holdings. Life Science Holdings wholly owned Life Science Limited, which wholly owned WuXi PharmaTech, which in turn controlled 44.97% of the voting power at general meetings of Biologics Holdings. Biologics Holdings directly owned 640,191,133 Shares. Life Science Holdings, Life Science Limited and WuXi PharmaTech are deemed to be interested in the Shares held by Biologics Holdings.
- Dr. Ning Zhao is the spouse of Dr. Ge Li and is deemed to be interested in the Shares interested by Dr. Ge Li.
- 10,706,254 Shares were held by Dr. Zhisheng Chen through a trust of which Dr. Zhisheng Chen is the settlor (founder) and his spouse and child are the beneficiaries.

### INFORMATION ABOUT 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.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE GRANTS OF THE CONNECTED RESTRICTED SHARES TO THE CONNECTED GRANTEEES

The Scheme and the Program form part of the incentive schemes of the Group. The Board considers that the grant of the Restricted Shares to the Connected Grantees under the Scheme is to recognize their past performance made to the Group while the grant of Restricted Shares to the Connected Grantees under the Program is to recognize their past performance made to the Group, as well as to incentivize their future performance in promoting the future business development of the Group. The purposes of the Scheme are to (i) recognize the contributions made to the Group by the Connected Grantees; (ii) encourage, motivate and retain the Connected Grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the Connected 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 Connected Grantees to the Shareholders through ownership of Shares, while the purposes of the Program are to (i) reward and incentivize the Connected Grantees who have significant contributions to the Group's business development and growth, with incentives highly related to the business and individual performance; (ii) promote long-term growth and development of the Company by aligning the interests of the top employees and the Shareholders; and (iii) strengthen the bonding among the Connected Grantees to achieve performance goals collectively and strive to enhance the business results and market value of the Group, only key employees with exceptional performance are selected as the participants of the Program. The grants recognize their past contributions to the Group's business performance and aims to secure their long term support and commitment to the Group which are vital to the future development of the Group. As the Group's business is undergoing rapid expansion, the Company believes that the grants of the Connected Restricted Shares to the Connected Grantees serve as an important incentive to motivate them to bring a higher return to the Company.

The Board is of the view that the grants of the Connected Restricted Shares to the Connected Grantees are in line with the Company's remuneration policy, which includes base salary, discretionary bonus and other benefits such as the Scheme, the Program and share options. Such grants align the interests of the Connected Grantees directly with the interests of the Shareholders through ownership of the Shares and helps to further encourage them to devote their efforts to the Group's development. The number of the Connected Restricted Shares being granted to each Connected Grantee is being derived at based on the commercial assessment of the Board having taken into account a number of factors, including, without limitation, the roles and responsibilities, seniority, the specific expertise and relevant experiences, such as expertise in biotech and pharmaceutical industry, marketing and business strategies, financial management and human resources management, and their historical and expected contributions to the Group.



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## LETTER FROM THE BOARD

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### **Proposed Grant to Dr. Zhisheng Chen and Dr. Weichang Zhou**

With respect to the grant of the Connected Restricted Shares to the executive Directors, namely, Dr. Zhisheng Chen and Dr. Weichang Zhou, it serves as discretionary bonus which forms part of their respective remuneration package in recognition of their valuable and substantial contributions to the Group. Details of the professional expertise, experience, business network and contributions to the Group of each of Dr. Zhisheng Chen and Dr. Weichang Zhou are set out below:

**Dr. Zhisheng Chen** joined the Group in June 2011 and was appointed as an executive Director and the chief executive officer of the Company in February 2014 and January 2016, respectively. Under his management, the Group has experienced growth at an unprecedented speed. In addition, Dr. Zhisheng Chen assembled one of the world's largest biologics teams of the Company with around 10,000 employees that can take up 150 IND (Investigational New Drug) programs and 12 BLA (Biological License Application) programs per year. The Company has pioneered disposable-bioreactor based state-of-the-art commercial manufacturing facility and built the first 30,000L bioreactor capacity in the world using disposables. Dr. Zhisheng Chen also led the Company to become the first company in China producing biologics for clinical trials in the U.S. and Europe, as well as the first biologics company in China to pass the U.S. FDA, EU EMA and other national regulatory authorities' inspections and have the first GMP (Good Manufacturing Practice) biologics manufacturing facilities in China approved by the U.S. FDA, EU EMA and other national regulatory authorities for commercial biologics products. The leading global CRDMO platform providing end-to-end solutions for biologics developed by the Company is now serving more than 470 customers in China, the U.S., Europe, Japan, South Korea, Singapore and other countries. In 2021, under Dr. Zhisheng Chen's leadership, 156 new integrated projects were added to the Group's pipeline, reaching a total of 480 integrated projects. Furthermore, the Company achieved a year-on-year 83.3% increase in revenue and a year-on-year 107.3% increase in net profit in 2021.

**Dr. Weichang Zhou** joined the Group in December 2012 and was appointed as an executive Director, chief technology officer and executive vice president of the Company in May 2016, November 2016 and October 2019, respectively. Since his joining of the Group, he has been focusing on building and leading a world class team of more than 4,500 scientists and engineers with diversified backgrounds. Under his leadership, this team has been providing integrated biologics development and CMC (Chemistry, Manufacturing and Controls) services to support more than 480 biologics programs. Dr. Weichang Zhou has successfully been leading this capable team of scientists and engineers to innovate breakthrough proprietary biologics technology platforms, especially the cell line development platform WuXia™, continuous manufacturing platform WuXiUP™, comprehensive Antibody-drug Conjugate (“ADC”) development and manufacturing platforms among many others. These globally recognized technology platforms have

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## LETTER FROM THE BOARD

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solidified the Group's global leader role in biologics development and manufacturing field and ensured the Group to realize the "Follow and Win the Molecule" business strategies, as well as supported the tremendous business growth of the Group by generating substantial revenue and profits to the Group. With Dr. Weichang Zhou's extensive business network and globally recognized leadership in the field, the Company managed to recruit more talents and professional personnel both from the PRC and overseas, which greatly enhanced the technical levels of its development and manufacturing teams. In 2021, Dr. Weichang Zhou continued to take a leading role in the Group's development in various key technology platforms, including but not limited to, the ADC platforms, and the viral and microbial platforms, which are expected to substantially contribute to the Group's business growth going forward.

Both Dr. Zhisheng Chen and Dr. Weichang Zhou are the executive Directors who led the Company to achieve various remarkable milestones both before and after its listing in 2017. In 2021, the Company's revenue grew significantly to RMB10,290.1 million, with a year-on-year 83.3% increase, including a 110.91% increase from the North America market and a 409.68% increase from the Europe market, and the number of integrated projects reaching 480 compared to 334 in 2020, which depends very much on the contribution of the executive management team who oversee the daily management and operations of the Group. Further, the Company continued its grand capacity expansion plans across the world in 2021 to build and diversify manufacturing capacity in different countries including the U.S., China and Europe. It is, therefore, important for the Group to retain its executive management team and encourage them to commit in the long term to the Group's development into the most comprehensive technology platform in the global biologics industry.

Pursuant to the service contracts entered into by the Company with Dr. Zhisheng Chen and Dr. Weichang Zhou, the remuneration package of each of Dr. Zhisheng Chen and Dr. Weichang Zhou comprises a base salary plus a discretionary performance bonus to be determined with reference to their working experience, duties and responsibilities with the Group and the prevailing market situation. The total remuneration of Dr. Zhisheng Chen and Dr. Weichang Zhou for the year of 2021 was RMB50,794,000 and RMB14,204,000, which comprised (i) a basic salary of RMB3,027,000 and RMB1,815,000, respectively; (ii) a discretionary performance bonus of RMB1,500,000 and RMB717,000, respectively; and (iii) a share-based compensation of RMB46,267,000 and RMB11,587,000, respectively. In addition, it is not uncommon for biotech companies in the U.S., Europe and Hong Kong to adopt share-based compensation (including share award scheme or share option scheme) for their key personnel and employees. Having considered the remuneration packages of the executive management of the biotech companies in the U.S., Europe and Hong Kong that are comparable with the Company, the Board considers that the remuneration package of the executive Directors are fair and reasonable and in line with general market practice.

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## LETTER FROM THE BOARD

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The Connected Restricted Shares proposed to be granted to Dr. Zhisheng Chen and Dr. Weichang Zhou under the Scheme are for their past performance, including their annual performance for the year of 2021 while those under the Program are for their past performance as well as future performance.

The basis in determining the grant of the Connected Restricted Shares to Dr. Zhisheng Chen and Dr. Weichang Zhou for their past performance is the same as the previous grant as announced by the Company on March 24, 2021 (the “**Previous Grant**”) based on the commercial assessment of the Board having taken into account a number of factors, including the overall performance of the Group. Despite that the monetary value of the Connected Restricted Shares proposed to be granted to Dr. Zhisheng Chen and Dr. Weichang Zhou increased comparing to the Previous Grant, such a rise is proportional to the rapid business growth of the Company as the Company achieved a year-on-year 83.3% increase in revenue and a year-on-year 107.3% increase in net profit in 2021.

### *Proposed Grant to the Subsidiary Directors*

With respect to the grant of the Connected Restricted Shares to each of the Subsidiary Directors, namely, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath, it serves as discretionary bonus which forms part of their respective remuneration package in recognition of their valuable and substantial contributions to the Group. Details of the professional expertise, experience, business network and contributions to the Group of the Subsidiary Directors are set out below:

**Mr. Angus Scott Marshall Turner** joined the Group in 2016 and is the senior vice president of global business development and alliance management of the Company. He is responsible for business development, strategic alliances and partnerships. Mr. Angus Scott Marshall Turner has extensive working experience in international business development in the pharmaceutical and biotechnology industries and has provided invaluable advice in business development strategies. With Mr. Angus Scott Marshall Turner’s continuous endeavor, the Group adapted quickly to the new communication strategies and various technologies and platforms during the COVID-19 pandemic. He was also instrumental in partnering with global pharmaceutical companies developing COVID-19 vaccines and neutralizing monoclonal antibody (“**mAb**”), which further solidified the Group’s role as the world’s leading premier supplier and partner in the biologics industry.

**Mr. Brendan McGrath** joined the Group as Ireland site head and vice president of manufacturing in April 2018. He is responsible for the Group’s Ireland green field project and will lead the site when the site becomes operational. Mr. Brendan McGrath has extensive working experience in supply chain management, logistics, operational excellence, manufacturing and

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## LETTER FROM THE BOARD

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procurement. As the site head of the Group's Ireland site, Mr. Brendan McGrath contributed to the significant progress of the construction work — the Ireland site reached mechanical completion despite the continuation of the COVID-19 outbreak.

Each of Mr. Angus Scott Marshall Turner (being a director of WuXi Biologics Ireland Limited) and Mr. Brendan McGrath (being a director of each of WuXi Vaccines Ireland Limited and WuXi Biologics Ireland Limited) led the relevant subsidiaries to achieve significant growth and development. These subsidiaries are significant to the Group's strategic development outside China, both present and future. The success of these subsidiaries will lay a solid and strong foundation for the Company's overall development plan to further expand and diversify the Group's manufacturing capacity and provide with its global partners with a quality supply chain network to benefit patients worldwide.

The subsidiaries that the Subsidiary Directors currently working at possess strategic importance to the business of the Group. WuXi Biologics Ireland Limited operates the Group's Ireland site, which is the Group's first overseas site and reached mechanical completion. As supported by the Irish Government, the Ireland site is designed to run both traditional fed-batch and perfusion continuous manufacturing processes. Once completed, this "Factory of the Future" will be one of the world's largest facilities using single-use bioreactors alongside next generation continuous manufacturing process technology, which will further expand the Group's capabilities and capacities of commercial manufacturing and strengthen its global integrated solution platform. By expanding the Group's global biomanufacturing network, it will help to ensure that biologics are manufactured by the Group to the highest quality with a robust supply chain to benefit patients worldwide. WuXi Vaccines Ireland Limited is principally engaged in vaccine CRDMO (Contract Research, Development and Manufacturing Organization) business. It is established to seize the emerging opportunities of vaccine CRDMO business, which in turn benefit the development of healthcare industry. As of the end of 2021, the Group has signed nine vaccine contracts, including a partnership manufacturing agreement with one of the global vaccine leaders for an initial term of 20 years and a total contract value over US\$3 billion. The Group also has enabled clients to combat the pandemic with three different modalities of COVID-19 vaccines. The Group's state-of-the-art vaccines facility in Ireland is also contributing to these efforts, with its modular lab in operation and generating revenues. The facility won the title of "Large Pharma Project of the Year" at Ireland's 2020 Pharma Industry Awards. The main facility achieved "weather-tight" status in early 2021 and is in mechanical, electrical and plumbing engineering (MEP) stage. The vaccines business will contribute substantially to the Group's future overall business growth.

In determining the remuneration package, which comprises a base salary, a discretionary performance bonus and a share-based compensation, of the Subsidiary Directors, the Company follows a well-established pay scale and internal assessment process, which are formulated after taking into account several factors, including but not limited to, (i) the title and rank of an

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## LETTER FROM THE BOARD

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employee for a base salary; (ii) overall performance of the Group; (iii) performance rating and achievement of performance targets by an employee; and (iv) remuneration market data of comparable companies in the respective local market with similar scale in the same industry obtained from various third party channels, including external human resources service providers. In order to effectively motivate the Subsidiary Directors to promote the business development of the above mentioned fast-growing subsidiaries and businesses, the Board has decided to remunerate the Subsidiary Directors with the grant of Connected Restricted Shares after considering their working experience, duties and responsibilities within the Group. The Board believes that the grant of the Connected Restricted Shares, which is high-priced with great growth potential, to the Subsidiary Directors will serve as strong and effective incentive to motivate the Subsidiary Directors, and thus promote an alignment of interests between the Shareholders and the Subsidiary Directors by further enhancing the value of the Company.

The Connected Restricted Shares proposed to be granted to Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath under the Scheme are for their past performance, including their annual performance for the year of 2021 while those under the Program are for their past performance as well as future performance.

In determining the number of the Connected Restricted Shares to be granted to each of the Connected Grantees, the Board has considered, various factors including but not limited to, (i) the historical contributions and job responsibilities of the Connected Grantees; (ii) the continuing contribution to the Group's future development of the Connected Grantees; (iii) whether the grants are a fair representation of the Connected Grantees' respective historical contributions to the Group with reference to their respective job responsibilities; and (iv) whether the grants are a sufficient motivation for continuing contribution in the Group. In addition, it is not uncommon for biotech companies in the U.S., Europe and Hong Kong to adopt share-based compensation (including share award scheme or share option scheme) for their key personnel and employees. Having considered the remuneration packages of the executive management of the biotech companies in the U.S., Europe and Hong Kong that are comparable with the Company, the Board considers that the remuneration package of the Subsidiary Directors are fair and reasonable and in line with general market practice.

***Proposed Grant to Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III***

With respect to the grant of the Connected Restricted Shares to each of the independent non-executive Directors, namely, Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III, it serves as part of their remuneration package for the services provided by them to the Company. Pursuant to the service contracts entered into by the Company, each of Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner

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## LETTER FROM THE BOARD

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III is entitled to an annual salary of HK\$450,000. Under the service contract, the Director may, at his discretion, requests his salary or any part of it to be satisfied by Shares in lieu of cash payment to him. At their requests, Mr. Kenneth Walton Hitchner III will be granted the Connected Restricted Shares representing the value equivalent to the full amount of the annual salary for the year of 2021; and Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk will be granted the Connected Restricted Shares representing the value equivalent to half of the amount of the annual salary for the year of 2021 with the remaining balance being settled in cash.

The number of the Connected Restricted Shares to be granted to each of the above Directors and Subsidiary Directors is determined based on the average closing price of the Shares for the five consecutive trading days immediately preceding the date of their respective grant (i.e. March 23, 2022), as quoted on the Stock Exchange, being HK\$54.27 per Share.

### 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 the Connected Restricted Shares to the Connected Grantees under the Scheme and the Program 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 Chapter 14A of the Listing Rules.

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 resolutions on the issue and allotment of the Connected Restricted Shares to them under the Scheme and/or the Program. Save as disclosed above, none of the other Directors had any interest in the Connected Restricted Shares and therefore, no other Director abstained from voting on the relevant Board resolutions in respect of the proposed issue and allotment of the Connected Restricted Shares to the Connected Grantees. To the best of the knowledge, information and belief of the Directors, save for the Connected Grantees and their respective associates, no other Shareholder is required to abstain from voting on the resolutions to 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 at the Annual General Meeting.

As all the independent non-executive Directors (i.e. Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III) being the members of the Connected Grantees are regarded as having material interests, at the time of the RSU Grants, in the proposed grant as well as the proposed issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder, no independent board committee has been established. The Independent Financial Advisor has been

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## LETTER FROM THE BOARD

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appointed by the Company and will advise the Independent Shareholders in respect of the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder. A letter from Opus Capital to the Independent Shareholders is set out on pages 40 to 70 of this circular.

#### 4. GRANTS OF SHARE OPTIONS UNDER THE SUBSIDIARY SHARE OPTION SCHEMES

##### GRANT OF WUXI XDC SHARE OPTIONS UNDER THE WUXI XDC SHARE OPTION SCHEME

Reference is made to the WuXi XDC Grant Announcement in relation to, among others, the WuXi XDC Grant.

On April 1, 2022, WuXi XDC, a subsidiary of the Company, has approved, the grant of 53,067,270 WuXi XDC Share Options in aggregate to the WuXi XDC Grantees, of which (i) 20,907,270 are granted to 84 employees of WuXi XDC; and (ii) 32,160,000 are granted to one director (who is also the chief executive officer) of WuXi XDC, subject to acceptance of the WuXi XDC Grantees, pursuant to the WuXi XDC Share Option Scheme.

Details of the WuXi XDC Grant are as follows:

<b>Date of Grant</b>	:	April 1, 2022
<b>Exercise Price of the WuXi XDC Share Options Granted</b>	:	RMB1.658, which is not less than the equity value of WuXi XDC Shares
<b>Equity Value of WuXi XDC Shares as at April 1, 2022</b>	:	RMB1.658 per WuXi XDC Share, as determined by an independent professional valuer engaged by WuXi XDC.



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## LETTER FROM THE BOARD

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The independent professional valuer applied traditional valuation techniques and methodologies, including valuation techniques and methods that comply with guidance provided by the American Institute of Certified Public Accountants (AICPA) in its Accounting & Valuation Guide. The valuer adopted guideline transaction method under the market approach in determining the market value of WuXi XDC Shares, with reference to comparable transactions within the past year which involved acquisitions of target companies that are primarily engaged in the similar industry with the following selection criteria: (i) the purchasers were companies listed in Hong Kong or mainland China; (ii) the target companies were privately held companies; (iii) the target companies primarily engage in CRO (Contract Research Organization) or CMO (Contract Manufacturing Organization) worldwide; (iv) the target companies were profitable at the time of the relevant acquisition; and (v) the transaction particulars are publicly available. The valuer made the following key assumptions: (i) there will be no material changes in the existing political, legal, fiscal or economic conditions in places in which WuXi XDC carries on or will carry on its business; (ii) WuXi XDC operates on a going-concern basis; (iii) there will be no material changes in the corporate tax rates, interest rates and exchange rates that would have material impact on WuXi XDC; (iv) there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of WuXi XDC; and (v) the market data, industrial information and statistical figures obtained from publicly available sources are true and accurate. The fair value of equity value of WuXi XDC is determined using the price-to-earnings multiple of comparable transactions adjusted for lack of marketability discount.

**Number of WuXi XDC** : 53,067,270  
**Share Options Granted**



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## LETTER FROM THE BOARD

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**Validity Period of the WuXi XDC Share Options** : April 1, 2022 to March 31, 2032, both dates inclusive

**Vesting Schedule of the WuXi XDC Share Options** : Subject to the other terms of the WuXi XDC Share Option Scheme, save as determined otherwise by the WuXi XDC Board at its sole discretion:

- (i) twenty percent (20%) of the WuXi XDC Share Options shall be vested on the date falling on the second (2nd) anniversary of the Date of Grant;
- (ii) twenty percent (20%) of the WuXi XDC Share Options shall be vested on the date falling on the third (3rd) anniversary of the Date of Grant;
- (iii) twenty percent (20%) of the WuXi XDC Share Options shall be vested on the date falling on the fourth (4th) anniversary of the Date of Grant; and
- (iv) forty percent (40%) of the WuXi XDC Share Options shall be vested on the date falling on the fifth (5th) anniversary of the Date of Grant.

Among the 53,067,270 WuXi XDC Share Options granted, a total of 32,160,000 WuXi XDC Share Options were granted to the director (who is also the chief executive officer) of WuXi XDC. Details of the WuXi XDC Share Options proposed to be granted to Dr. Jincal Li are as follows:

Name of the WuXi XDC Grantee	Position	Number of WuXi XDC Share Options Granted	Approximate percentage of total number of WuXi XDC Shares in issue as at the Latest Practicable Date <i>(Note 1)</i>
Dr. Jincal Li	Director and chief executive officer of WuXi XDC	32,160,000	3.216%

*Note:*

1. As at the Latest Practicable Date, total number of WuXi XDC Shares in issue is 1,000,000,000 WuXi XDC Shares.

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## LETTER FROM THE BOARD

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Save as disclosed above, none of the WuXi XDC Grantee is a director, chief executive or substantial shareholder (as defined under the Listing Rules) of the Company, WuXi XDC or an associate (as defined in the Listing Rules) of any of them.

**Dr. Jincal Li** joined the Group in 2011 and is currently the director and chief executive officer of WuXi XDC, a subsidiary of the Company dedicated for bioconjugate CRDMO (Contract Research, Development and Manufacturing Organization) services. He has over 20 years' experience in biotherapeutics development, spanning from process development to scale-up and commercial manufacturing. Since his joining of the Group, he has been involved in building and leading the Group's cell culture process development and non-GMP production functions, managing the Group's Manufacturing Facility 1 ("MFG1") and Manufacturing Facility 3 as mAb manufacturing cGMP facilities, as well as in the construction of the Manufacturing Facility 5. During his tenure with MFG1, Dr. Jincal Li significantly contributed in the successful passing of the Company's first China NMPA and U.S. FDA pre-license inspections (PLI), achieving the milestone of MFG1 being the first biologics manufacturing facility in China approved by both the U.S. FDA and the EU EMA. Under his leadership, the teams contributed to over 40 IND submissions, both in and outside of China, as well as multiple BLA submission works. In his current role as the director and chief executive officer of WuXi XDC (a company held by the Company and Shanghai SynTheAll Pharmaceutical Co., Ltd. ("STA"), a subsidiary of WuXi AppTec), Dr. Jincal Li has led the successful integration of various functions of the Company and STA and built the world-leading, fully integrated bioconjugate CRDMO platform that serves close to 200 global clients with expanding market share.

### **GRANT OF WUXI VACCINES SHARE OPTIONS UNDER THE WUXI VACCINES SHARE OPTION SCHEME**

Reference is made to the WuXi Vaccines Grant Announcement in relation to, among others, the WuXi Vaccines Grant.

On May 16, 2022, WuXi Vaccines, a subsidiary of the Company, has approved, the grant of 46,656,453 WuXi Vaccines Share Options in aggregate to the WuXi Vaccines Grantees, of which (i) 14,676,453 are granted to 36 employees of WuXi Vaccines; and (ii) 31,980,000 are granted to the chief executive officer of WuXi Vaccines, subject to acceptance of the WuXi Vaccines Grantees, pursuant to the WuXi Vaccines Share Option Scheme.

Details of the WuXi Vaccines Grant are as follows:

**Date of Grant** : May 16, 2022

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## LETTER FROM THE BOARD

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**Exercise Price of the WuXi Vaccines Share Options Granted** : USD0.511, which is not less than the equity value of WuXi Vaccines Shares

**Equity Value of WuXi Vaccines Shares as at May 16, 2022** : USD0.511 per WuXi Vaccines Share, as determined by an independent professional valuer engaged by WuXi Vaccines.

The independent professional valuer applied traditional valuation techniques and methodologies, including valuation techniques and methods that comply with guidance provided by the American Institute of Certified Public Accountants (AICPA) in its Accounting & Valuation Guide. The valuer adopted guideline company method under the market approach in determining the market value of WuXi Vaccines Shares, with reference to comparable listed companies with the following selection criteria: (i) companies listed in Hong Kong, mainland China or the U.S.; (ii) companies that primarily engage in the healthcare industry with a similar business model as WuXi Vaccines; and (iii) companies whose financial information being available to the public. The valuer made the following key assumptions: (i) there will be no material changes in the existing political, legal, fiscal or economic conditions in places in which WuXi Vaccines carries on or will carry on its business; (ii) WuXi Vaccines operates on a going-concern basis; (iii) there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of WuXi Vaccines; (iv) WuXi Vaccines has not started massive production and will carry on projects in Ireland and China as planned; and (v) all revenue generated by WuXi Vaccines from CRDMO business will be achieved as planned. The fair value of equity value of WuXi Vaccines is determined using the enterprise value-to-sales multiple of comparable listed companies adjusted for lack of marketability discount.

**Number of WuXi Vaccines Share Options Granted** : 46,656,453

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## LETTER FROM THE BOARD

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- Validity Period of the WuXi Vaccines Share Options** : May 16, 2022 to May 15, 2032, both dates inclusive
- Vesting Schedule of the WuXi Vaccines Share Options** : Subject to the other terms of the WuXi Vaccines Share Option Scheme, save as determined otherwise by the WuXi Vaccines Board at its sole discretion:
- (i) twenty percent (20%) of the WuXi Vaccines Share Options shall be vested on the date falling on the second (2nd) anniversary of the Date of Grant;
  - (ii) twenty percent (20%) of the WuXi Vaccines Share Options shall be vested on the date falling on the third (3rd) anniversary of the Date of Grant;
  - (iii) twenty percent (20%) of the WuXi Vaccines Share Options shall be vested on the date falling on the fourth (4th) anniversary of the Date of Grant; and
  - (iv) forty percent (40%) of the WuXi Vaccines Share Options shall be vested on the date falling on the fifth (5th) anniversary of the Date of Grant.

Among the 46,656,453 WuXi Vaccines Share Options granted, a total of 31,980,000 WuXi Vaccines Share Options were granted to the chief executive officer of WuXi Vaccines. Details of the WuXi Vaccines Share Options proposed to be granted to Mr. Jian Dong are as follows:

<b>Name of the WuXi Vaccines Grantee</b>	<b>Position</b>	<b>Number of WuXi Vaccines Share Options Granted</b>	<b>Approximate percentage of total number of WuXi Vaccines Shares in issue as at the Latest Practicable Date</b> <i>(Note 1)</i>
Mr. Jian Dong	Chief executive officer of WuXi Vaccines	31,980,000	3.198%

*Note:*

1. As at the Latest Practicable Date, total number of WuXi Vaccines Shares in issue is 1,000,000,000 WuXi Vaccines Shares.

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## LETTER FROM THE BOARD

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Save as disclosed above, none of the WuXi Vaccines Grantee is a director, chief executive or substantial shareholder (as defined under the Listing Rules) of the Company, WuXi Vaccines or an associate (as defined in the Listing Rules) of any of them.

**Mr. Jian Dong** joined the Group in 2014 and has since been named senior vice president and chief executive officer of WuXi Vaccines. In this role, he oversees the Group's vaccines business and new facility development. Mr. Jian Dong has over 30 years' experience in bio-pharmaceutical production and process development and he has brought in his extensive experience in managing the design, construction, qualification and operation of new current GMP (cGMP) biologics manufacturing facilities with 30,000L bioreactor capacities. In 2021, despite the challenges posed by the continuation of the COVID-19 outbreak, Mr. Jian Dong still managed to achieve breathtaking milestones for the Group's global capacity expansion — the Group's total planned capacity across the world has reached 154,000 liters at the end of 2021. Furthermore, the Group's vaccines business, of which Mr. Jian Dong is the chief executive officer, made significant progress in 2021. WuXi Vaccines has continued to strengthen its end-to-end vaccine platform and signed nine vaccine projects, including two mRNA vaccine programs.

### REASONS FOR AND BENEFIT OF THE SUBSIDIARIES GRANTS

The purposes of the Subsidiary Share Option Schemes, namely, the WuXi Vaccines Share Option Scheme and the WuXi XDC Share Option Scheme, are to enable the Subsidiaries to grant options of the respective Subsidiaries to the respective eligible participants as incentives or rewards for their contribution to the respective Subsidiary Groups so as to enable the respective Subsidiary Groups to recruit and retain high-calibre employees and attract human resources that are valuable to the respective Subsidiary Groups.

As two industry-leading subsidiaries, WuXi Vaccines and WuXi XDC, made significant progress in 2021. WuXi Vaccines has continued to strengthen its end-to-end vaccine platform and signed nine vaccine projects, including two mRNA vaccine programs. WuXi XDC, the integrated ADC platform, has secured 60 ADC integrated projects globally, including two Phase III projects. WuXi Vaccines and WuXi XDC are expected to become the Group's next fast-growing platforms.

For the upcoming fast development period, the devotion and performance of Dr. Jincal Li and Mr. Jian Dong are the keys to success of WuXi XDC and WuXi Vaccines, respectively. The Board considers that the above purpose can be achieved by proposed Subsidiaries Grants as they demonstrate to Dr. Jincal Li and Mr. Jian Dong that their efforts and contributions to the Subsidiaries are valued and will be rewarded.

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## LETTER FROM THE BOARD

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Dr. Jincal Li and Mr. Jian Dong are responsible for leading and managing WuXi XDC and WuXi Vaccines, respectively and they play a full and constructive part in the development and determination of the overall strategies and policies. The Board considers that the proposed Subsidiaries Grants provide an opportunity to Dr. Jincal and Mr. Jian Dong to acquire proprietary interests in the Subsidiaries as an incentive for their continuing commitments and contributions to the growth of the Subsidiaries in the future, especially taking into account their industry expertise and experience, and thus promote an alignment of interests between the Shareholders and them by further enhancing the value of the Subsidiaries.

Accordingly, the Directors consider that the proposed Subsidiaries Grants are beneficial to the Group and fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

Given that the total number of WuXi XDC Shares to be issued upon exercise of the WuXi XDC Share Options to be granted to Dr. Jincal Li would, in a 12-month period, exceed 1% of the WuXi XDC Shares in issue, the grant of the WuXi XDC Share Options to Dr. Jincal Li is subject to the approval by the Independent Shareholders pursuant to Rule 17.03(4) of the Listing Rules. Dr. Jincal Li and his associates shall abstain from voting at the general meeting pursuant to Rule 17.03(4) of the Listing Rules.

As at the Latest Practicable Date, no share option has been granted to Dr. Jincal Li under any share option scheme of the Group in the 12-month period up to and including the date of WuXi XDC Grant.

Given that the total number of WuXi Vaccines Shares to be issued upon exercise of the WuXi Vaccines Share Options to be granted to Mr. Jian Dong would, in a 12-month period, exceed 1% of the WuXi Vaccines Shares in issue, the grant of the WuXi Vaccines Share Options to Mr. Jian Dong is subject to the approval by the Independent Shareholders pursuant to Rule 17.03(4) of the Listing Rules. Mr. Jian Dong and his associates shall abstain from voting at the general meeting pursuant to Rule 17.03(4) of the Listing Rules.

As at the Latest Practicable Date, no share option has been granted to Mr. Jian Dong under any share option scheme of the Group in the 12-month period up to and including the date of WuXi Vaccines Grant.

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## LETTER FROM THE BOARD

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### **5. PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board has proposed to amend certain provisions of the existing Memorandum and Articles of Association by way of adoption of the New Memorandum and Articles of Association for the purpose of allowing a general meeting to be held as an electronic meeting (also referred to as a virtual meeting) or a hybrid meeting.

The adoption of the New Memorandum and Articles of Association containing the proposed amendments is subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting to become effective.

A summary of the proposed amendments to the Memorandum and Articles of Association is set out in Appendix III to this circular.

### **6. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES**

The 2021 General Mandate previously granted to the Directors to issue Shares at the 2021 AGM will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Issue Mandate to the Directors to issue, allot or deal with unissued Shares of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. not exceeding a total of 421,870,678 Shares as at the Latest Practicable Date on the basis that no further Shares are issued or repurchased before the Annual General Meeting), such Shares to be issued for cash consideration at a discount of not more than 10% to the “Benchmarked Price” (as described in Rule 13.36(5) of the Listing Rules and defined in the proposed ordinary resolution contained in item 5) of the Shares (save for the Restricted Shares to be issued and granted under the Scheme and the Program).

The Board is recommending the granting of the Share Issue Mandate for a maximum of 10% of the total number of issued Shares of the Company as at the date of the passing of the proposed ordinary resolution, and the Shares issued for cash consideration under the Share Issue Mandate will be subject to a maximum discount of 10% to the Benchmarked Price of the Shares, as opposed to the maximum limit of 20% of the total number of issued Shares of the Company and the maximum discount of 20% to the Benchmarked Price of the Shares permitted under the Listing Rules.

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## LETTER FROM THE BOARD

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The Directors do not have any immediate plan to issue any new Shares pursuant to the Share Issue Mandate.

### **7. PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE SHARES**

The general mandate previously granted to the Directors to repurchase Shares at the 2021 AGM will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting (i.e. not exceeding a total of 421,870,678 Shares as at the Latest Practicable Date on the basis that no further Shares are issued or repurchased before the Annual General Meeting).

The Directors do not have any immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate. Pursuant to Rule 10.06(5) of the Listing Rules, the listing of all Shares which are repurchased by the Company (whether on exchange or otherwise) shall be automatically cancelled upon repurchase.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to propose the granting of the Share Repurchase Mandate is set out in Appendix IV to this circular.

### **8. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Annual General Meeting is set out on pages 103 to 109 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wuxibiologics.com](http://www.wuxibiologics.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions stated thereon and deposited together with the power of attorney or other authority (if any) under which it is signed



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## LETTER FROM THE BOARD

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or a notarially certified copy of such power or authority at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, June 8, 2022, Hong Kong time) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish. In such event, the form of proxy shall be deemed to be revoked.

### 9. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, the proposed issue and allotment of the Connected Restricted Shares to the Connected Grantees pursuant to the Specific Mandate, the proposed Subsidiaries Grants, the proposed grant of the Share Issue Mandate and the Share Repurchase Mandate and the proposed adoption of the New Memorandum and Articles of Association are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**WuXi Biologics (Cayman) Inc.**  
**Dr. Ge Li**  
*Chairman*

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## LETTER FROM OPUS CAPITAL

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*Set out below is the text of a letter received from Opus Capital, the Independent Financial Advisor to the Independent Shareholders in respect of the proposed issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and transactions contemplated thereunder, for the purpose of inclusion in this circular.*



18th Floor, Fung House  
19-20 Connaught Road Central  
Central, Hong Kong

May 18, 2022

*Attention: the Independent Shareholders of WuXi Biologics (Cayman) Inc.*

Dear Sir or Madam,

### **CONNECTED TRANSACTION INVOLVING GRANTS OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE**

#### **INTRODUCTION**

We, Opus Capital, refer to our appointment as the Independent Financial Advisor to advise the Independent Shareholders in respect of the proposed issue and allotment of the Connected Restricted Shares to the Connected Grantees under the Scheme Grant and the Program Grant (the “**Connected Restricted Shares Grant**”), the Specific Mandate and transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated May 18, 2022 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On March 23, 2022 (the “**Grant Date**”), the Board has approved, subject to acceptance of the Scheme Grantees and other conditions as may be determined by the Board, the grant of 20,791,754 Restricted Shares in aggregate to the Scheme Grantees under the Scheme Grant, of which (i) 18,954,570 Restricted Shares are granted to 2,458 employees of the Group (who are not connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Scheme Trustee pursuant to the 2021 General Mandate and in accordance with the terms of the Scheme Rules; and (ii) 1,837,184 Restricted Shares are proposed to be granted to five Directors

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## LETTER FROM OPUS CAPITAL

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and two Subsidiary Directors (who are Connected Grantees) and shall be satisfied by the issue and allotment of new Shares to the Scheme Trustee pursuant to the Specific Mandate and in accordance with the terms of the Scheme Rules.

On the Grant Date, the Board has approved, subject to acceptance of the Program Grantees and other conditions as may be determined by the Board, the grant of 1,223,147 Restricted Shares to two Directors and two Subsidiary Directors (who are Connected Grantees) which shall be satisfied by the issue and allotment of new Shares to the Program Trustee pursuant to the Specific Mandate and in accordance with the terms of the Program Rules.

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 Connected Restricted Shares Grant under the Scheme and the Program 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 Chapter 14A of the Listing Rules.

The Annual General Meeting will be convened and held to consider, and if thought fit, approve, among other things, the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder.

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 resolutions on the issue and allotment of the Connected Restricted Shares to them under the Scheme and/or the Program. Save as disclosed above, none of the other Directors had any interest in the Connected Restricted Shares and therefore, no other Directors abstained from voting on the relevant Board resolutions in respect of the Connected Restricted Shares Grant. To the best of the knowledge, information and belief of the Directors, save for the Connected Grantees and their respective associates, no other Shareholder is required to abstain from voting on the resolutions to approve, among other things, the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder at the Annual General Meeting.

### **THE APPOINTMENT**

As all the independent non-executive Directors (i.e. Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III) being the members of the Connected Grantees are regarded as having material interests, at the time of the RSU Grants, in the proposed grant as well as the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder, no independent board committee has been established.

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## LETTER FROM OPUS CAPITAL

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We have been appointed by the Company to advise the Independent Shareholders as to whether: (i) the terms of the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) the Independent Shareholders should vote in favour of the relevant resolutions to be proposed at the Annual General Meeting to approve the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder.

### OUR INDEPENDENCE

We were appointed as the independent financial advisor to advise the independent shareholders of the Company in respect of two connected transactions involving the grants of restricted shares to connected grantees. Details of such transactions and our independent advisory letters are set out in the circulars of the Company dated May 11, 2020 (the “**Past Appointment 1**”) and May 17, 2021 (the “**Past Appointment 2**”, together with the Past Appointment 1, the “**Past Appointments**”). Both of the Past Appointment 1 and the Past Appointment 2 are similar to this current appointment.

As at the Latest Practicable Date, save for the aforementioned, we did not have any relationship with, or interest in, the Group, the Connected Grantees or other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this letter, save for the aforementioned, we have not acted as an independent financial advisor to the Company. Apart from the normal professional fees paid or payable to us in connection with the Past Appointments and the current appointment as the Independent Financial Advisor, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, the Connected Grantees or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

### BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Shareholders, we have reviewed, among other things:

- (i) the Company’s annual report for the year ended December 31 (“**FY**”), 2021 (the “**2021 Annual Report**”);
- (ii) the Scheme Rules;

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## LETTER FROM OPUS CAPITAL

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- (iii) the Program Rules;
- (iv) the RSU Grants Announcement; and
- (v) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the Annual General Meeting.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent in-depth investigation into the business, financial conditions and affairs of the Group or its future prospects. Where information in this letter has been extracted from published or otherwise publicly available sources, it is our responsibility to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

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This letter is issued to the Independent Shareholders solely in connection for their consideration of the Connected Restricted Shares Grant, the Specific Mandate and transactions contemplated thereunder and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent. Our opinion is based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the Connected Restricted Shares Grant, the Specific Mandate and transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

#### 1. Information of 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 Shares were listed on the Main Board of the Stock Exchange on June 13, 2017.

Set out below is a summary of the key audited consolidated financial information of the Group for the five years ended December 31, 2021 as extracted from the 2021 Annual Report:

**Table 1: Highlights of the financial results of the Group**

	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>
	<i>(RMB'M)</i>	<i>(RMB'M)</i>	<i>(RMB'M)</i>	<i>(RMB'M)</i>	<i>(RMB'M)</i>
Revenue	10,290.1	5,612.4	3,983.7	2,534.5	1,618.8
Gross profit	4,828.9	2,533.0	1,658.8	1,017.8	660.6
Net profit	3,508.6	1,692.7	1,010.3	630.5	252.6

*Source: the 2021 Annual Report*

As shown in the above table, the Group's revenue, gross profit and net profit have been growing significantly from FY2017 to FY2021. The Group's revenue, gross profit and net profit for FY2021 were more than 6 times, 7 times and 13 times respectively of those for FY2017. The growth rates of the Group's revenue, gross profit and profit for FY2021 as compared to FY2020 (i.e. approximately 83.3%, 90.6% and 107.3% respectively) were also significant.

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According to the 2021 Annual Report, during FY2021, the total revenue of the Group increased by approximately 83.3% from approximately RMB5,612.4 million for FY2020 to approximately RMB10,290.1 million, together with an approximately 107.3% year-on-year growth in net profit to approximately RMB3,508.6 million. Such a significant increase was mainly attributable to: (i) the significant manufacturing revenue growth in 2021 as the banner year for the Group's commercial manufacturing; (ii) the fruition from long-term "Follow and Win the Molecule" strategies, with leading technology platform, best-in-industry timeline and excellent execution track record contributing to significantly higher revenue and market share of new non-COVID integrated projects; (iii) the Group's acceleration to undertake, promptly execute and generate revenue from existing and new COVID-19 projects to support and enable the Group's global clients in combatting against COVID-19; (iv) successful execution of "Follow and Win the Molecule" strategies adding considerable late-stage pipelines and near-term revenue; and (v) the recovery from the reduced productivity due to the brief slow-down in the first quarter of 2020 as disrupted by the pandemic, coupled with the enhancement in the utilization of existing capacities and resources and the implementation of operational efficiency improvement programs. The Group's total backlog, including the service backlog and upcoming potential milestone fees backlog, also soared by approximately 20.1% from approximately US\$11,324.0 million as of December 31, 2020 to approximately US\$13,597.0 million as of December 31, 2021, of which service backlog increased by approximately 19.9% from approximately US\$6,629.0 million to approximately US\$7,946.0 million and upcoming potential milestone fees backlog increased by approximately 20.4% from approximately US\$4,695.0 million to approximately US\$5,651.0 million. The service backlog represents the revenue amount the Group has contracted but is yet to perform, which can be seen as a future performance indicator.

The increase in the gross profit margin from approximately 45.1% for FY2020 to approximately 46.9% for FY2021 was primarily attributable to: (i) the Group's robust business growth, as a result of the rapid increase in the number of integrated projects and projects progressing to late stages of development; (ii) the significant manufacturing margin growth in 2021 as the banner year for the Group's commercial manufacturing; (iii) the Group's deployment to fully utilize its existing manufacturing facilities; (iv) the Group's extraordinary efforts to undertake a large number of new development projects, with a prudent approach in adding new resources; (v) the continuing undertaking of the Group's operational efficiency improvement programs; and (vi) more than offsetting the new facilities ramping-up impact.

As a result of the foregoing, the net profit of the Group increased by approximately 107.3% from approximately RMB1,692.7 million for FY2020 to approximately RMB3,508.6 million for FY2021. As set out in the 2021 Annual Report, during FY2021, the Group further diversified its customer base by working with all top 20 pharmaceutical companies in the world and 42 out of the 50 largest pharmaceutical companies in China. The Group provided services to over 470 customers

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for FY2021, compared with 369 customers in the previous year. The top ten customers' revenue grew by approximately 109.2% from approximately RMB2,326.9 million for FY2020 to approximately RMB4,867.7 million for FY2021.

### 2. Information on the Connected Grantees

The Connected Restricted Shares Grant has been approved by the Board on the Grant Date, subject to the acceptance of the Connected Grantees and other conditions as may be determined by the Board, including the Independent Shareholders' approval at the Annual General Meeting. The vesting period for the Connected Restricted Shares to be granted under the Scheme to the independent non-executive Directors (i.e. Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III) is one year, while the vesting period for the Connected Restricted Shares to be granted under the Scheme and the Program to the remaining Connected Grantees (i.e. Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath) is five years and two years, respectively. Details of the vesting conditions and vesting schedules of the Connected Restricted Shares Grant are included in "Table 2: Details of the Scheme Grant" as below. As stated in the Letter from the Board, the grants of the Connected Restricted Shares to the Connected Grantees under the Scheme and the Program serve different purposes as set out under the section headed "3. Reasons for and Benefits of the grants of the Connected Restricted Shares to the Connected Grantees" below.

The Board determined that the Connected Grantees and the number of Restricted Shares granted to them with reference to, among other things, their respective roles, responsibilities, years of services, work experience, contributions, remuneration packages and prevailing compensation of similar positions in the market. The two tables below list the details of the Scheme Grant and Program Grant respectively.

**Table 2: Details of the Scheme Grant**

Name	Position	Number of shares under the Scheme Grant	Vesting period (years)
<b>Directors</b>			
Dr. Zhisheng Chen	Executive Director	1,324,333	5 <i>Note 1</i>
Dr. Weichang Zhou	Executive Director	450,281	5 <i>Note 1</i>
Mr. William Robert Keller	Independent non-executive Director	4,145	1 <i>Note 2</i>
Mr. Teh-Ming Walter Kwauk	Independent non-executive Director	4,145	1 <i>Note 2</i>



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Name	Position	Number of shares under the Scheme Grant	Vesting period (years)
Mr. Kenneth Walton Hitchner III	Independent non-executive Director	8,291	1 <i>Note 2</i>
<i>Subtotal</i>		1,791,195	
<b>Subsidiary Directors</b>			
Mr. Angus Scott Marshall Turner	Director of WuXi Biologics Ireland Limited	33,565	5 <i>Note 1</i>
Mr. Brendan McGrath	Director of WuXi Biologics Ireland Limited and WuXi Vaccines Ireland Limited	12,424	5 <i>Note 1</i>
<i>Subtotal</i>		45,989	
<b>Total Connected Restricted Shares under the Scheme Grant</b>		1,837,184	

*Source: the Letter from the Board*

**Table 3: Details of the Program Grant**

Name	Position	Number of shares under the Program Grant	Vesting period (years)
<b>Directors</b>			
Dr. Zhisheng Chen	Executive Director	877,694	2 <i>Note 3</i>
Dr. Weichang Zhou	Executive Director	298,416	2 <i>Note 3</i>
<i>Subtotal</i>		1,176,110	
<b>Subsidiary Directors</b>			
Mr. Angus Scott Marshall Turner	Director of WuXi Biologics Ireland Limited	29,251	2 <i>Note 3</i>
Mr. Brendan McGrath	Director of WuXi Biologics Ireland Limited and WuXi Vaccines Ireland Limited	17,786	2 <i>Note 3</i>
<i>Subtotal</i>		47,037	
<b>Total Connected Restricted Shares under the Program Grant</b>		1,223,147	

*Source: the Letter from the Board*

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*Notes:*

1. 20% of the total Connected Restricted Shares shall vest on the second anniversary of the grant date and the remaining 20%, 20% and 40% of the total Connected Restricted Shares granted shall vest on the third anniversary, fourth anniversary and fifth anniversary of the grant date, respectively. All Connected Restricted Shares are not subject to any vesting conditions.
2. All Connected Restricted Shares shall vest on the first anniversary of the grant date, and are not subject to any vesting conditions.
3. 50% of the total Connected Restricted Shares shall vest on the first anniversary of the grant date and the remaining 50% of the total Connected Restricted Shares shall vest on the second anniversary of the grant date. Vesting of the Connected Restricted Shares is subject to certain performance targets, including the overall business performance of the Group as a whole and the prevailing market capitalization of the Company to be determined by the Board from time to time.

Further details of the positions, roles, responsibilities and years of services of the Connected Grantees are set out in the paragraph headed “3. Connected transaction involving grants of Restricted Shares to connected persons pursuant to Specific Mandate — Reasons for and benefits of the grants of the Connected Restricted Shares to the Connected Grantees” in the Letter from the Board. The executive Directors, namely Dr. Zhisheng Chen and Dr. Weichang Zhou, have been indispensable to the continued and stable strong growth of the Group. In particular, Dr. Zhisheng Chen and Dr. Weichang Zhou, working in their senior capacity as the executive Directors, have led the Company to achieve various remarkable milestones both before and after the Company’s listing on the Stock Exchange in 2017. Under their vision and leadership, the Group has achieved significant growth over the years especially the tremendous growth in FY2021 as compared with that in FY2020 as evidenced through the historical financial performance of the Group as set out in the section headed “1. Information of the Group” above.

As stated in the Letter from the Board, each of Mr. Angus Scott Marshall Turner (being a director of WuXi Biologics Ireland Limited) and Mr. Brendan McGrath (being a director of WuXi Biologics Ireland Limited and WuXi Vaccines Ireland Limited) led the relevant key subsidiaries of the Group to achieve significant growth and development.

It is noted that the vesting periods of the Connected Restricted Shares to be granted under the Scheme to several Connected Grantees (i.e. Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath) is five years while those to be granted under the Program to the aforementioned Connected Grantees is two years. We noted from the Letter from the Board that the Connected Restricted Shares proposed to be granted to Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath under the Scheme are for their past performance, including their annual performance for the year of 2021 while those under the Program are for their past performance as well as future performance.

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We have reviewed the different purposes as set out in the Scheme Rules and the Program Rules and we noted that the recognition of the past contribution of the Scheme Grantees is the priority purpose under the Scheme while the priority purpose under the Program is to provide the Program Grantees with incentives highly related to the business and individual performance in order to drive the Group's business growth apart from rewarding the past contribution of the Program Grantees. As such, it also explains the aforesaid different vesting conditions of the Connected Restricted Shares to be granted under the Scheme and the Program. Although the vesting period of the Connected Restricted Shares to be granted under the Program is two years, which is shorter than the five years vesting period under the Scheme, they are subject to certain performance targets, including the overall business performance of the Group as a whole and the prevailing market capitalization of the Company to be determined by the Board from time to time while those under the Scheme are not subject to any vesting conditions.

In view of the above, we consider that the difference in the vesting periods of the Connected Restricted Shares to be granted under the Scheme and the Program is fair and reasonable.

With Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk joined the Company as independent non-executive Directors in 2017 and Mr. Kenneth Walton Hitchner III joined the Company as an independent non-executive Director in 2020, the Group has continued to maintain its strong growth momentum to this day.

### **3. Reasons for and benefits of the Connected Restricted Shares Grant**

As stated in the Letter from the Board, the Scheme and the Program form part of the incentive schemes of the Group. The Board considers that the grant of the Restricted Shares to the Connected Grantees under the Scheme is to recognize their past performance made to the Group while the grant of Restricted Shares to the Connected Grantees under the Program is to recognize their past performance made to the Group, as well as to incentivize their future performance in promoting the future business development of the Group. The purposes of the Scheme are to (i) recognize the contributions made to the Group by the Connected Grantees; (ii) encourage, motivate and retain the Connected Grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the Connected 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 Connected Grantees to the Shareholders through ownership of Shares, while the purposes of the Program are to (i) reward and incentivize the Connected Grantees who have significant contributions to the Group's business development and growth, with incentives highly related to the business and individual performance; (ii) promote long-term growth and development of the Company by aligning the interests of the top employees and the Shareholders; and (iii) strengthen the bonding among the Connected Grantees to achieve performance goals collectively and strive to enhance the business

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results and market value of the Group, only key employees with exceptional performance are selected as the participants of the Program. The grants recognize their past contributions to the Group's business performance and aims to secure their long term support and commitment to the Group which are vital to the future development of the Group. As the Group's business is undergoing rapid expansion, the Company believes that the Connected Restricted Shares Grant serves as an important incentive to motivate the Connected Grantees to bring a higher return to the Company.

As set out in the Letter from the Board, the Board is of the view that the Connected Restricted Shares Grant is in line with the Company's remuneration policy, which includes base salary, discretionary bonus and other benefits such as the Scheme, the Program and share options. Such grants align the interests of the Connected Grantees directly with the interests of the Shareholders through ownership of the Shares and helps to further encourage them to devote their efforts to the Group's development. The number of the Connected Restricted Shares being granted to each Connected Grantee is being derived at based on the commercial assessment of the Board having taken into account a number of factors, including, without limitation, the roles and responsibilities, seniority, the specific expertise and relevant experiences, such as expertise in biotech and pharmaceutical industry, marketing and business strategies, financial management and human resources management, and their historical and expected contributions to the Group.

Based on this background, we note that the Company conducted several rounds of grants of Restricted Shares to its connected grantees. For the last three financial years, respectively on March 27, 2020, on March 24, 2021 and on March 23, 2022, the Company granted restricted shares to its connected grantees. The make-up of the connected grantees under these three grants was largely similar to this year's Connected Restricted Shares Grant. The Connected Restricted Shares Grant of this year (save for the Program), as advised by the Management, is mainly of a recurrent nature.

Other key features of the RSU Grants (including the Connected Restricted Shares Grant) include, among other things, unlike giving a cash bonus, there will not be any actual cash outflow by the Group as it will be satisfied by the issue and allotment of new Restricted Shares.

Also, unlike granting share options with a pre-determined exercise price which the future prices of the Shares may or may not be above such pre-determined exercise price, the RSU Grants provide the RSU Grantees with certainty of monetary benefits regardless of the share price performance. Such RSU Grants that can be realized and is readily available at the end of each vesting period is akin to payment of a deferred bonus by batches and hence an effective incentive. Furthermore, the RSU Grants do not call for the RSU Grantees to exercise the share options which would require financial outlay from the RSU Grantees.

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Further, as shown under “Table 1: Highlights of the financial results of the Group” and as discussed under the section headed “1. Information of the Group” above, we note that the Group’s financial performance has been undergoing a strong growth in the past five financial years and especially in the last financial year, being FY2021, in terms of both the revenue generation ability and the profitability. As noted from the 2021 Annual Report, the Group is experiencing significant growth to meet escalating demands from both large pharmaceuticals and small and medium-sized companies. In FY2021, the Group achieved to enlarge its customer base to all top 20 pharmaceutical companies in the world while it was 14 out of 20 in FY2020. As observed by the Group, the business momentum remains strong.

As such, we are of the view that the Connected Restricted Shares Grant will provide the Connected Grantees, being the Directors and the Subsidiary Directors, who are responsible for the overall corporate governance, strategic directions of the Group and important strategic initiatives of the key subsidiaries of the Company (as the case maybe), with a reward for their past contributions and to incentivize their future contributions.

Upon our enquiry, the Management advised us that its remuneration package of employees generally includes salary and bonus elements. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund as applicable to the countries where the Group operates. The Group also adopted the Scheme, the Program and the pre-IPO share option scheme to provide incentive or reward to eligible participants for their contribution or potential contribution to the Group.

Based on the above, we concur with the Company’s view that the Connected Restricted Shares Grant under the Scheme and the Program is in line with the remuneration policy of the Group.

Taking into account that: (i) the purposes and characteristics of the Scheme and the Program as mentioned above; (ii) our assessment of the terms of the Connected Restricted Shares Grant as discussed in the section headed “4. Principal terms and conditions of the Connected Restricted Shares Grant” below; (iii) our assessment of the current remuneration of the Connected Grantees as set out in section headed “5. Connected Grantees’ current remuneration” below; (iv) there will not be any actual cash outflow by the Group under the Grant; and (v) the recurrent nature of the Connected Restricted Shares Grant, we concur with the Board that the Connected Restricted Shares Grant is fair and reasonable and in the interests of the Company and its Shareholders as a whole. Also, in view of the recurrent nature of the Connected Restricted Shares Grant, we are of the view that the Connected Restricted Shares Grant is conducted in the ordinary and usual course of business of the Group.

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### 4. Principal terms and conditions of the Connected Restricted Shares Grant

Principal terms and conditions of the Connected Restricted Shares Grant are set out below:

<b>Market price of the Shares:</b>	The closing price of the Shares on the date of the RSU Grants Announcement as quoted on the Stock Exchange is HK\$65.30 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of the RSU Grants Announcement as quoted on the Stock Exchange is HK\$54.27 per Share.
<b>Size of the Connected Restricted Shares relative to the issued Shares</b>	The aggregate of 3,060,331 new Restricted Shares (being 1,837,184 new Restricted Shares under the Scheme and 1,223,147 new Restricted Shares under the Program) to be issued and allotted by the Company, represent (i) approximately 0.07% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 0.07% of the total number of Shares in issue as enlarged by the issue and allotment of the new Restricted Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the allotment date of the new Shares, other than the issue and allotment of the new Connected Restricted Shares).
<b>Market value of the Connected Restricted Shares Grant:</b>	Based on the closing price of HK\$65.30 per Share as quoted on the Stock Exchange as at the Grant Date, the market value of the 3,060,331 new Restricted Shares (being 1,837,184 new Restricted Shares under the Scheme and 1,223,147 new Restricted Shares under the Program) to be issued and allotted to the Connected Grantees is HK\$199,839,614.30. Based on the closing price of HK\$52.60 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of the 3,060,331 new Restricted Shares (being 1,837,184 new Restricted Shares under the Scheme and 1,223,147 new Restricted Shares under the Program) to be issued and allotted to the Connected Grantees is HK\$160,973,410.60.

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- Funds to be raised:** The Connected Grantees are not required to pay any consideration for the Connected Restricted Shares Grant. No fund will be raised by the Company as a result of the issue and allotment of the new Connected Restricted Shares.
- Identity of the allottee(s):** Upon the issue and allotment of the new Connected Restricted Shares, the Trustees will hold the new Connected Restricted Shares on trust for the Connected Grantees.
- Vesting conditions:** The new Restricted Shares shall be transferred to the Connected Grantees at nil consideration until the end of each vesting period which may differ among the Connected Grantees and upon satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the grant including, but not limited to, the Connected Grantees shall remain as directors or employees of the Group until the end of their respective vesting periods.
- Conditions to the Connected Restricted Shares Grant** The Connected Restricted Shares Grant shall be subject to (i) the approval by the Independent Shareholders at the Annual General Meeting in respect of the Connected Restricted Shares Grant, 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 new Connected Restricted Shares.
- Application for listing** Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate of 3,060,331 new Connected Restricted Shares.

As part of our due diligence, we have obtained and reviewed the Scheme Rules and Program Rules from the Company and noted that the terms of the Connected Restricted Shares Grant complied with the Scheme Rules and Program Rules respectively, in particular the limit of the Scheme and the Program. The total number of: (i) 1,837,184 Restricted Shares proposed to be granted to the Scheme Grantees, together with other Restricted Shares granted under the Scheme is within the limit of 3% (i.e. 104,859,097 Shares, after taking into account the share subdivision

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which took effect on November 16, 2020) of the issued share capital of the Company as at the adoption date of the Scheme (i.e. January 15, 2018); and (ii) 1,223,147 Restricted Shares proposed to be granted to the Program Grantees, together with other Restricted Shares granted under the Program is within the limit of 3% (i.e. 126,982,689 Shares) of the issued share capital of the Company as at the adoption date of the Program (i.e. June 16, 2021).

As stated in the Letter from the Board, as at the Latest Practicable Date, the number of Shares available for further grant under the Scheme after the Scheme Grant (assuming all the Restricted Shares granted are fully vested and taken into account the Restricted Shares forfeited in accordance with the terms of the Scheme) are 10,331,040 Shares, representing approximately 0.24% of the total issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the number of Shares available for further grant under the Program after the Program Grant (assuming all the Restricted Shares granted are fully vested and taken into account the Restricted Shares forfeited in accordance with the terms of the Program) are 123,080,104 Shares, representing approximately 2.92% of the total issued share capital of the Company as at the Latest Practicable Date.

### 5. Connected Grantees' current remuneration

Set out below is a breakdown of the total remuneration packages of the Connected Grantees for FY2021 provided by the Company:

**Table 4: The total remuneration packages of the Connected Grantees for FY2021**

Name	Salaries, contributions, and other benefits (RMB'000)	Performance- based or discretionary bonus (RMB'000)	Share-based payment expenses (RMB'000)	Total remuneration (RMB'000)
Dr. Zhisheng Chen	3,026.5	1,500.0	46,267.2	50,793.7
Dr. Weichang Zhou	1,899.5	717.3	11,587.3	14,204.1
Mr. William Robert Keller	186.8	—	206.4	393.2
Mr. Teh-Ming Walter Kwauk	—	—	412.9	412.9
Mr. Kenneth Walton Hitchner III	166.8	—	219.3	386.1
Mr. Angus Scott Marshall Turner	1,342.9	556.9	1,810.1	3,709.9
Mr. Brendan McGrath	1,652.9	312.1	1,046.5	3,011.5

*Source: the 2021 Annual Report and the Management*



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## LETTER FROM OPUS CAPITAL

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### **Our assessment**

To assess the fairness and reasonableness of the Connected Restricted Shares Grant, we have, on a best effort basis, conducted a search of all relevant comparable companies (the “**Comparable Companies**”) with the following selection criteria:

- (i) similar to the Company, the relevant companies were listed on the Main Board of the Stock Exchange as at the Grant Date which belong to the “Health Care” sector of the Bloomberg Industry Classification System;
- (ii) the relevant companies had market capitalization of over HK\$40 billion as at the Grant Date;
- (iii) none of the Director holds a directorship in the Comparable Companies; and
- (iv) the single largest shareholder in each of the relevant companies was not a state-owned enterprise.

Based on the above selection criteria, we have exhaustively identified fourteen Comparable Companies. In view of, among other things, the Comparable Companies belong to the same industry sector as that of the Company and the Comparable Companies had comparable market capitalization to that of the Company as at the Grant Date, we consider the Comparable Companies are fair and representative. We further conducted a search on the total remuneration packages of chief executive officers (“**CEOs**”), executive directors (“**EDs**”) and independent non-executive directors (“**INEDs**”) of the Comparable Companies in their respective latest financial years.

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**LETTER FROM OPUS CAPITAL**

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**CEOs and EDs' total remuneration package comparison**

Set out below is a summary of remuneration packages of the CEOs and EDs of the Comparable Companies:

**Table 5: CEOs and EDs' remuneration packages of the Comparable Companies**

Name of CEOs and/or EDs <sup>Note 1</sup>	Company name (stock code)	Salaries, contributions, and other benefits	Performance-based or discretionary bonus	Share-based payment expenses	Total
		(RMB'M) <sup>Note 2</sup>	(RMB'M) <sup>Note 2</sup>	(RMB'M) <sup>Note 2</sup>	(RMB'M) <sup>Note 2</sup>
Mr. John V. Oyler (CEO and ED)	BeiGene, Ltd. (6160)	5.4 <sup>Note 3</sup>	5.9 <sup>Note 3</sup>	99.2 <sup>Note 3</sup>	110.5 <sup>Note 3</sup>
Mr. Wu Yifang (CEO and ED)	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (2196)	3.0	8.0	0.0 <sup>Note 4</sup>	11.0
Mr. Cai Dongchen (CEO and ED)	CSPC Pharmaceutical Group Limited (1093)	4.2	9.1	—	13.3
Mr. Zhang Cuilong <sup>Note 4</sup> (CEO and ED)	CSPC Pharmaceutical Group Limited (1093)	0.8	8.3	—	9.1
Mr. Hao Hong (CEO and ED)	Asymchem Laboratories (Tianjin) Co., Ltd. (6821)	2.3	—	—	2.3
Mr. Tse Ping (CEO and ED)	Sino Biopharmaceutical Limited (1177)	16.2	25.7	—	41.9
Ms. Zhong Huijuan (CEO and ED)	Hansoh Pharmaceutical Group Company Limited (3692)	8.0	7.7	—	15.7
Dr. Li Ning (CEO and ED)	Shanghai Junshi Biosciences Co., Ltd (1877)	7.3	18.7	12.3	38.4
Dr. Liu Zhenyu (CEO)	Genscript Biotech Corporation (1548)	2.6	1.6	0.5	4.7

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Name of CEOs and/or EDs <sup>Note 1</sup>	Company name (stock code)	Salaries, Performance- contributions, and other benefits (RMB'M) <i>Note 2</i>	based or discretionary bonus (RMB'M) <i>Note 2</i>	Share-based payment expenses (RMB'M) <i>Note 2</i>	Total (RMB'M) <i>Note 2</i>
Dr Xuefeng YU (CEO and ED)	CanSino Biologics Inc. (6185)	2.0	2.4	—	4.4
Dr. Yu, De-Chao Michael (CEO and ED)	Innovent Biologics, Inc. (1801)	2.9	23.3	101.8	128.0
Mr. Tang Yanggang (CEO and ED)	Livzon Pharmaceutical Group Inc. (1513)	1.4	3.3	—	4.7
<b>Max (all CEOs)</b>					<b>128.0</b>
<b>Min (all CEOs)</b>					<b>2.3</b>
<b>Average (all CEOs)</b>					<b>32.0</b>
Mr. Wang Zhenguo (ED)	CSPC Pharmaceutical Group Limited (1093)	0.8	4.2	—	5.0
Mr. Pan Weidong (ED)	CSPC Pharmaceutical Group Limited (1093)	0.9	4.2	—	5.0
Mr. Wang Huaiyu (ED)	CSPC Pharmaceutical Group Limited (1093)	0.8	4.2	—	5.0
Dr. Li Chunlei (ED)	CSPC Pharmaceutical Group Limited (1093)	0.8	4.2	—	5.0
Dr. Wang Qingxi (ED)	CSPC Pharmaceutical Group Limited (1093)	1.7	—	—	1.7
Mr. Chak Kin Man (ED)	CSPC Pharmaceutical Group Limited (1093)	2.1	2.9	—	5.0
Dr. Jiang Hao (ED)	CSPC Pharmaceutical Group Limited (1093)	0.9	4.2	—	5.0

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Name of CEOs and/or EDs <sup>Note 1</sup>	Company name (stock code)	Salaries, Performance-	based or	Share-based	Total
		contributions, and other benefits (RMB'M) <i>Note 2</i>	discretionary bonus (RMB'M) <i>Note 2</i>	payment expenses (RMB'M) <i>Note 2</i>	
Mr. Zhang Da (ED)	Asymchem Laboratories (Tianjin) Co., Ltd. (6821)	2.5	2.0	0.4	4.9
Ms. Yang Rui (ED)	Asymchem Laboratories (Tianjin) Co., Ltd. (6821)	2.8	2.0	—	4.8
Mr. Hong Liang (ED)	Asymchem Laboratories (Tianjin) Co., Ltd. (6821)	1.3	0.7	—	2.0
Dr. Ye Xiaoping (ED)	Hangzhou Tigermed Consulting Co., Ltd. (3347)	0.8	0.1	—	0.9
Ms. Cao Xiaochun (ED)	Hangzhou Tigermed Consulting Co., Ltd. (3347)	0.8	0.1	—	0.9
Ms. Yin Zhuan (ED)	Hangzhou Tigermed Consulting Co., Ltd. (3347)	0.7	—	0.1	0.8
Ms. Tse, Theresa Y Y (ED)	Sino Biopharmaceutical Limited (1177)	11.9	23.2	—	35.1
Ms Cheng Cheung Ling (ED)	Sino Biopharmaceutical Limited (1177)	13.0	16.6	—	29.6
Mr. Tse, Eric S Y (ED)	Sino Biopharmaceutical Limited (1177)	6.5	16.6	—	23.1
Mr. Tse Hsin (ED)	Sino Biopharmaceutical Limited (1177)	1.8	4.0	—	5.8
Mr. Li Yi, David (ED)	Sino Biopharmaceutical Limited (1177)	17.3	11.3	—	28.6

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Name of CEOs and/or EDs <sup>Note 1</sup>	Company name (stock code)	Salaries, Performance- contributions, and other benefits (RMB'M) <i>Note 2</i>	based or discretionary bonus (RMB'M) <i>Note 2</i>	Share-based payment expenses (RMB'M) <i>Note 2</i>	Total (RMB'M) <i>Note 2</i>
Mr. Wang Shanchun (ED)	Sino Biopharmaceutical Limited (1177)	7.7	—	—	7.7
Mr. Tian Zhoushan (ED)	Sino Biopharmaceutical Limited (1177)	1.8	—	—	1.8
Ms. Li Mingqin (ED)	Sino Biopharmaceutical Limited (1177)	0.6	0.6	—	1.2
Miss Sun Yuan (ED)	Hansoh Pharmaceutical Group Company Limited (3692)	6.7	8.1	—	14.8
Mr. Lyu Aifeng (ED)	Hansoh Pharmaceutical Group Company Limited (3692)	3.3	2.6	2.2	8.0
Mr. Xiong Jun (ED)	Shanghai Junshi Biosciences Co., Ltd (1877)	4.0	1.2	6.5	11.7
Dr. Feng Hui (ED)	Shanghai Junshi Biosciences Co., Ltd (1877)	3.6	0.6	6.5	10.7
Mr. Zhang Zhuobing (ED)	Shanghai Junshi Biosciences Co., Ltd (1877)	3.6	1.1	6.5	11.2
Dr. Yao Sheng (ED)	Shanghai Junshi Biosciences Co., Ltd (1877)	3.8	0.6	15.8	20.3
Ms. Wang Ye (ED)	Genscript Biotech Corporation (1548)	3.4 <sup>Note 3</sup>	1.0 <sup>Note 3</sup>	2.0 <sup>Note 3</sup>	6.4 <sup>Note 3</sup>
Mr. Meng Jiange (ED)	Genscript Biotech Corporation (1548)	1.9 <sup>Note 3</sup>	0.9 <sup>Note 3</sup>	1.7 <sup>Note 3</sup>	4.6 <sup>Note 3</sup>
Dr. Zhu Li (ED)	Genscript Biotech Corporation (1548)	1.2	0.5	1.9	3.6

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Name of CEOs and/or EDs <sup>Note 1</sup>	Company name (stock code)	Salaries, Performance- contributions, and other benefits (RMB'M) <i>Note 2</i>	Performance- based or discretionary bonus (RMB'M) <i>Note 2</i>	Share-based payment expenses (RMB'M) <i>Note 2</i>	Total (RMB'M) <i>Note 2</i>
Mr. Tao Zhu (ED)	CanSino Biologics Inc. (6185)	2.2	2.4	—	4.5
Mr. Dongxu Qiu (ED)	CanSino Biologics Inc. (6185)	1.3	2.2	—	3.6
Mr. Shoubai Chao (ED)	CanSino Biologics Inc. (6185)	2.1	2.4	—	4.4
Ms. Feng Yuxia (ED)	JOINN LABORATORIES (CHINA) CO., LTD (6127)	1.6	0.4	—	2.0
Mr. Zuo Conglin (ED)	JOINN LABORATORIES (CHINA) CO., LTD (6127)	0.7	0.4	1.0	2.1
Mr. Gao Dapeng (ED)	JOINN LABORATORIES (CHINA) CO., LTD (6127)	0.7	0.4	0.4	1.5
Ms. Sun Yunxia (ED)	JOINN LABORATORIES (CHINA) CO., LTD (6127)	0.7	0.4	1.3	2.4
Dr. Yao Dalin (ED)	JOINN LABORATORIES (CHINA) CO., LTD (6127)	1.0	0.1	0.5	1.6
Mr. Long Jing (ED)	Shandong Weigao Group Medical Polymer Company Limited (1066)	1.1	0.7	5.3	7.1
Mr. Ede, Hao Xi Ronald (ED)	Innovent Biologics, Inc. (1801)	2.2	3.2	15.0	20.4

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Name of CEOs and/or EDs <sup>Note 1</sup>	Company name (stock code)	Salaries, contributions, and other benefits (RMB'M) <i>Note 2</i>	Performance- based or discretionary bonus (RMB'M) <i>Note 2</i>	Share-based payment expenses (RMB'M) <i>Note 2</i>	Total (RMB'M) <i>Note 2</i>
Mr. Xu Guoxiang (ED)	Livzon Pharmaceutical Group Inc. (1513)	4.2	3.9	—	8.1
<b>Max (all EDs)</b>					<b>128.0</b>
<b>Min (all EDs)</b>					<b>0.8</b>
<b>Average (all EDs)</b>					<b>13.4</b>
<b>Dr. Zhisheng Chen (CEO and ED)</b>	<b>The Company</b>	<b>3.0</b>	<b>1.5</b>	<b>83.5</b> <sup>Note 6</sup>	<b>88.0</b>
<b>Dr. Weichang Zhou (ED)</b>	<b>The Company</b>	<b>1.9</b>	<b>0.7</b>	<b>24.2</b> <sup>Note 7</sup>	<b>26.8</b>

*Sources: the website of the Stock Exchange and the Management*

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*Notes:*

1. The above table only included CEOs and/or EDs who had served as an CEO and/or ED during the entire latest financial year.
2. As stated in the corresponding annual reports for FY2021 of the Comparable Companies, the figures were disclosed in thousand dollars of the presentation currency. There may be a rounding difference of RMB0.1 million.
3. The presentation currency is US\$ as stated in the corresponding annual reports for FY2021 and an exchange rate of RMB6.38=US\$1 as published by State Administration of Foreign Exchange on December 31, 2021 is adopted.
4. As stated in the corresponding annual report for FY2021, it amounted to RMB40,000.
5. As stated in the corresponding annual report for FY2021, Mr. Zhang Cuilong served as a rotating CEO during FY2021.
6. Dr. Zhisheng Chen's share-based payment expenses for FY2021 of approximately RMB83.5 million is made up of: (i) the aggregated share-based payment expenses in relation to existing pre-IPO options and existing restricted shares and employee stock options expenses incurred for FY2021 of approximately RMB46.3 million; and (ii) the market value of the Connected Restricted Shares to be vested of approximately RMB37.2 million assuming the Connected Restricted Shares under the Scheme and the Program will be vested by one-fifth and half respectively to Dr. Zhisheng Chen during FY2022.
7. Dr. Weichang Zhou's share-based payment expenses for FY2021 of approximately RMB24.2 million to be recognized by the Company has taken into account: (i) the share-based payment expenses in relation to existing pre-IPO options and existing restricted shares and employee stock options expenses incurred for FY2021 of approximately RMB11.6 million; and (ii) the market value of the Connected Restricted Shares to be vested of approximately RMB12.6 million assuming the Connected Restricted Shares under the Scheme and the Program will be vested by one-fifth and half respectively to Dr. Weichang Zhou during FY2022.

As shown in the table above, the total remuneration packages of the CEOs of the Comparable Companies ranged from approximately RMB2.3 million to approximately RMB128.0 million, with an average of approximately RMB32.0 million. Assuming the issue and allotment of the Connected Restricted Shares under the Scheme and the Program to Dr. Zhisheng Chen, being the CEO of the Company and an executive Director, vested by one-fifth (as the relevant vesting period is five years) and half (as the relevant vesting period is two years) respectively in a year, the total remuneration package received by Dr. Zhisheng Chen for FY2022 will increase by the market value (based on the closing price of the Shares quoted on the Stock Exchange as at the Grant Date of HK\$65.3 per Share) of the Connected Restricted Shares of approximately HK\$46.0 million (equivalent to approximately RMB37.2 million based on an exchange rate of RMB1=HK\$1.23 as published by State Administration of Foreign Exchange on the Grant Date) to approximately RMB88.0 million. Accordingly, the total remuneration package of Dr. Zhisheng Chen is within the range of the total remuneration packages of the CEOs of the Comparable Companies.



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On the other hand, the total remuneration packages of all EDs (including those who are also the CEOs) of the Comparable Companies ranged from approximately RMB0.8 million to approximately RMB128.0 million with an average of approximately RMB13.4 million. Assuming the issue and allotment of the Connected Restricted Shares under the Scheme and the Program to Dr. Weichang Zhou vested by one-fifth (as the relevant vesting period is five years) and half (as the relevant vesting period is two years) respectively in a year, the total remuneration package received by Dr. Weichang Zhou for FY2022 will increase by the market value (based on the closing price of the Shares quoted on the Stock Exchange as at the Grant Date of HK\$65.3 per Share) of the Connected Restricted Shares of approximately HK\$15.6 million (equivalent to approximately RMB12.7 million based on an exchange rate of RMB1=HK\$1.23 as published by State Administration of Foreign Exchange on the Grant Date) to approximately RMB26.8 million. Accordingly, the total remuneration package of Dr. Weichang Zhou is within the range of the total remuneration packages of the EDs of the Comparable Companies and is above the average total remuneration package of the EDs of the Comparable Companies of RMB13.4 million.

We noted, as at the Grant Date, the market capitalization of the Comparable Companies ranged from approximately HK\$40.2 billion to approximately HK\$168.9 billion with an average of approximately HK\$85.9 billion. As compared to the Comparable Company that paid the most of its CEO (i.e. Innovent Biologics, Inc.), which reported an increase in loss for the year from a loss of approximately RMB998.4 million for FY2020 to a loss of approximately RMB3,138.1 million for FY2021, and with a market capitalization stood at approximately HK\$43.0 billion as at the Grant Date, the Company grew its net profit to approximately RMB3,508.6 million for FY2021, representing a significant increase of approximately 107.3% against that of FY2020 while its market capitalization as at the Grant Date was approximately HK\$275.3 billion, which was significantly higher than the average market capitalization of the Comparable Companies and that of Innovent Biologics, Inc..

In addition to the analysis of the total remuneration packages of the CEOs and EDs of the Comparable Companies as stated above, we have also considered the ratios of the amounts of share-based payments to the total remuneration packages (the “**Share-based Payments Ratios**”) of the CEOs and EDs of the Comparable Companies. We noted that the Share-based Payments Ratios ranged from approximately 8.2% to approximately 89.8% with an average of approximately 47.1% while the Share-based Payments Ratios of Dr. Zhisheng Chen and Dr. Weichang Zhou of approximately 94.9% and 90.3% are higher than the upper bound of the Share-based Payments Ratios of the Comparable Companies.

Although the Share-based Payments Ratios of Dr. Zhisheng Chen and Dr. Weichang Zhou are higher than the upper bound of the Share-based Payments Ratios of the CEOs and EDs of the Comparable Companies, it is considered that the Connected Restricted Shares Grant will facilitate the alignment of the interests of Dr. Zhisheng Chen and Dr. Weichang Zhou with those of the

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Shareholders. As stated under section headed “3. Reasons for and benefits of the Connected Restricted Shares Grant” above, the purposes of the Connected Restricted Shares Grant under the Scheme and the Program are to, among other things, motivate and incentivize the Connected Grantees and align the interests of the Connected Grantees to the Shareholders. When the performance of the Group keeps strengthening, it will be reflected in the share performance of the Company which, in turn, will benefit both the Shareholders and the Connected Grantees.

In view of the above respective favourable comparison of the aforementioned total remuneration packages of Dr. Zhisheng Chen and Dr. Weichang Zhou against those of the Comparable Companies and the benefits of aligning the interests of Dr. Zhisheng Chen and Dr. Weichang Zhou with those of the Shareholders, given the Company’s significant market capitalization and the significant growth in the profitable operating performance relative to some of the Comparable Companies, the aforesaid total remuneration packages of Dr. Zhisheng Chen and Dr. Weichang Zhou appear to be modest.

### **Subsidiary Directors’ total remuneration package comparison**

The total remuneration packages of Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath for FY2021 were RMB3.7 million and RMB3.0 million respectively. Assuming the issue and allotment of the Connected Restricted Shares under the Scheme and the Program to the Subsidiary Directors vested by one-fifth (as the relevant vesting period is five years) and half (as the relevant vesting period is two years) respectively in a year, the total remuneration package to be received by Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath will increase by the market value (based on the closing price of the Shares quoted on the Stock Exchange as at the Grant Date of HK\$65.3 per Share) of the Connected Restricted Shares of approximately HK\$1.4 million and HK\$0.7 million respectively (equivalent to approximately RMB1.1 million and RMB0.6 million respectively based on an exchange rate of RMB1=HK\$1.23 as published by State Administration of Foreign Exchange on the Grant Date). The resultant remuneration packages of Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath would be RMB4.8 million and RMB3.6 million respectively and they are significantly below the average total remuneration package of the EDs of the Comparable Companies of RMB13.4 million. In view of the fact that there is a lack of disclosure on the subsidiary directors’ total remuneration packages of the Comparable Companies, we have opted for using the average total remuneration package of the EDs of the Comparable Companies as a contrasting alternative.

According to a biotechnology industry salary survey named 2020年生物技術行業薪酬調查報告 (2020 Biotechnology Industry Salary Survey Report\*) published by Xinchou.com (中國薪酬網), an independent salary analytics provider established in 2010 and headquartered in Shanghai, the PRC which has published over 100,000 salary reports and has accumulated more than 38,000,000 report users, the annual base salary level of the general managers of biotechnology companies in

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the PRC with over 10 years of experience, which in our opinion aligns with the salary level of Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath, would range from approximately RMB1.5 million to RMB1.7 million (the “GM Industry Salary Range”). We note that the FY2021 annual base salary of Mr. Angus Scott Marshall Turner of approximately RMB1.3 million was below the lower bound of the GM Industry Salary Range while that of Mr. Brendan McGrath of approximately RMB1.7 million was at the upper bound of the GM Industry Salary Range.

As mentioned in the paragraph headed “CEOs and EDs’ total remuneration package comparison” above, the average of the Share-based Payments Ratios of the CEOs and EDs of the Comparable Companies was approximately 47.1%. In view of the lack of disclosures on the subsidiary directors’ total remuneration packages of the Comparable Companies, we conduct an estimation of the average of the total remuneration package of subsidiary directors by applying the average of the Share-based Payments Ratio of the CEOs and EDs of the Comparable Companies to the lower and upper bound of the GM Industry Salary Range to arrive at a range of approximately RMB2.8 million and RMB3.2 million with an average of approximately RMB3.0 million. It is noted that the remuneration packages of Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath of RMB4.8 million and RMB3.6 million respectively are higher than such hypothetical average. We note however that Mr. Angus Scott Marshall Turner’s total remuneration package for 2022 of approximately RMB4.8 million is comparable to that of FY2021 amounted to approximately RMB4.4 million and Mr. Brendan McGrath’s total remuneration package for FY2022 of approximately RMB3.6 million is less than that of FY2021 which amounted to approximately RMB3.9 million.

Based on the information of the Company made available to us, we noted that Mr. Angus Scott Marshall Turner have been serving key regional roles of the Group for approximately six years, while Mr. Brendan McGrath has been serving key regional role of the Group for more than four years. As advised by the Management, the Subsidiary Directors have made significant contributions to the Group in the past and are expected to continue to contribute to international development of the Group in the future. WuXi Biologics Ireland Limited and WuXi Vaccines Ireland Limited, for which Mr. Angus Scott Marshall Turner and Mr. Brendan McGrath currently hold directors positions, are all important subsidiaries of the Company that are significant to the Group’s development. The critical importance of these two subsidiaries and the contributions made by the Subsidiary Directors are set out in the paragraph headed “3. Connected transaction involving grants of Restricted Shares to connected persons pursuant to Specific Mandate — Reasons for and benefits of the grants of the Connected Restricted Shares to the Connected Grantees” in the Letter from the Board.

Based on the above, we are of the view that the total remuneration packages of the Subsidiary Directors are fair and reasonable.

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### **INEDs' total remuneration package comparison**

As discussed with the Management, we understand the total remuneration packages of Mr. Kenneth Walton Hitchner III will be made up entirely by the Connected Restricted Shares Grant with the Connected Restricted Shares to be vested in a single year while Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk will receive half of their total remuneration package through the Connected Restricted Shares while the other half through cash.

Based on our research of the total remuneration packages of the INEDs for FY2021 of the Comparable Companies, the total remuneration packages (excluding those who had served as an INED for less than 12 months during latest financial year) of 49 INEDs of the Comparable Companies ranged from approximately RMB96,000 to approximately RMB5,160,000 with an average and median of approximately RMB811,700 and RMB320,000 respectively. As stated in the Letter from the Board, Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III is entitled to an annual salary of HK\$450,000 (equivalent to approximately RMB365,854 based on an exchange rate of RMB1=HK\$1.23 as published by State Administration of Foreign Exchange on the Grant Date) pursuant to the service contracts entered into by the Company with each of them. Further, under the service contracts, each of Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III may, at his discretion, requests his salary or any part of it to be satisfied by Shares in lieu of cash payment to him. Although the total remuneration packages of HK\$450,000 (equivalent to approximately RMB365,854) is slightly above the median of the total remuneration package of the INEDs of the Comparable Companies of RMB320,000, they are within the range of and are below the average total remuneration package of the INEDs of the Comparable Companies.

Furthermore, according to a salary survey conducted by PwC, a “Big-4” global accounting firm, on the top 300 Hong Kong listed companies, the average directorship fee of the INEDs of the top 300 Hong Kong listed companies in 2020 were approximately HK\$543,035 (equivalent to RMB441,492 based on an exchange rate of RMB1=HK\$1.23 as published by State Administration of Foreign Exchange on the Grant Date). The total remuneration packages of the Connected Restricted Shares for each of the independent non-executive Directors of HK\$450,000 is less than the aforesaid average directorship fee.

### **6. Financial effects of the RSU Grants (including the Connected Restricted Shares Grant)**

As set out in the 2021 Annual Report, for Shares granted under the Scheme and the Program, the fair value of the employee services received is determined by reference to the fair value of the Restricted Shares granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (equity-settled share-based compensation reserve). At the end of each financial year, the Group revises its estimates of the number of Restricted

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Shares that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates, if any, is recognized in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity-settled share-based compensation reserve. When the Restricted Shares are vested, the amount previously recognized in the Scheme reserve will be transferred to share premium.

### 7. Shareholding effects of the RSU Grants (including the Connected Restricted Shares Grant)

The table below sets out the shareholding effects of the RSU Grants (a) as at the Latest Practicable Date; and (b) immediately after the issue, allotment and full vesting of the Connected Restricted Shares and the Restricted Shares granted to the Non-connected Grantees (assuming no other change in the issued share capital of the Company other than the issue, allotment and full vesting of the Restricted Shares):

**Table 6: Shareholding table of the Company with respect to the RSU Grants**

Names of Shareholders	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares granted to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares	%	No. of Shares	%
<b>Directors</b>				
Dr. Ge Li <sup>Note 1</sup>	650,251,133	15.41%	650,251,133	15.33%
Dr. Ning Zhao <sup>Note 2</sup>	650,251,133	15.41%	650,251,133	15.33%
<b>Sub-total</b>	<b>650,251,133</b>	<b>15.41%</b>	<b>650,251,133</b>	<b>15.33%</b>
Biologics Holdings <sup>Note 1</sup>	640,191,133	15.18%	640,191,133	15.10%
<b>Sub-total</b>	<b>640,191,133</b>	<b>15.18%</b>	<b>640,191,133</b>	<b>15.10%</b>
<b>Connected Grantees</b>				
<b>Directors</b>				
Dr. Zhisheng Chen <sup>Note 3</sup>	12,252,988	2.83%	12,252,988	2.86%
	102,532,000 share options		102,532,000 share options	
	4,491,596 Restricted Shares		6,693,623 Restricted Shares	

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Names of Shareholders	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares granted to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares	%	No. of Shares	%
Dr. Weichang Zhou	47,754	0.38%	47,754	0.40%
	15,089,000 share options		15,089,000 share options	
	996,132 Restricted Shares		1,744,829 Restricted Shares	
Mr. William Robert Keller	15,307	0.00%	15,307	0.00%
	2,467 Restricted Shares		6,612 Restricted Shares	
Mr. Teh-Ming Walter Kwauk	13,675	0.00%	13,675	0.00%
	4,934 Restricted Shares		9,079 Restricted Shares	
Mr. Kenneth Walton Hitchner III	40,000	0.00%	40,000	0.00%
	4,934 Restricted Shares		13,225 Restricted Shares	
<b>Subsidiary Directors</b>				
Mr. Angus Scott Marshall Turner	768,000 share options	0.02%	768,000 share options	0.02%
	121,137 Restricted Shares		183,953 Restricted Shares	
Mr. Brendan McGrath	138,493 Restricted Shares	0.00%	168,703 Restricted Shares	0.00%
<b>Sub-total</b>	12,369,724	0.29%	12,369,724	0.29%
	118,389,000 share options	2.81%	118,389,000 share options	2.79%
	5,759,693 Restricted Shares	0.14%	8,820,024 Restricted Shares	0.21%
<b>Non-connected Grantees</b>	0	0.00%	18,954,570 Restricted Shares	0.45%
<b>Sub-total</b>	12,369,724	0.29%	12,369,724	0.29%
	118,389,000 share options	2.81%	118,389,000 share options	2.79%
	5,759,693 Restricted Shares	0.14%	27,774,594 Restricted Shares	0.65%
<b>Public shareholders</b>	3,550,326,232	84.16%	3,550,326,232	83.72%
<b>Total</b>	4,218,706,782	100%	4,240,721,683	100%

Source: the Letter from the Board

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*Notes:*

1. Dr. Ge Li controlled 19.66% of the issued share capital of WuXi Biologics Holdings Limited and 55.03% of the voting power at its general meetings. Hence, Dr. Ge Li is deemed to be interested in 640,191,133 Shares held by WuXi Biologics Holdings Limited. New WuXi Life Science Holdings Limited wholly owned New WuXi Life Science Limited, which wholly owned WuXi PharmaTech (Cayman) Inc., which in turn controlled 44.97% of the voting power at general meetings of WuXi Biologics Holdings Limited. WuXi Biologics Holdings Limited directly owned 640,191,133 Shares. 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 WuXi Biologics Holdings Limited.
2. Dr. Ning Zhao is the spouse of Dr. Ge Li and is deemed to be interested in the Shares interested by Dr. Ge Li.
3. 10,706,254 Shares were held by Dr. Zhisheng Chen through a trust of which Dr. Zhisheng Chen is the settlor (founder) and his spouse and child are the beneficiaries.

As shown in the table above, as a result of the issue and allotment of the aggregate of 22,014,901 Restricted Shares (being 20,791,754 Restricted Shares under the Scheme and 1,223,147 Restricted Shares under the Program), taking into account of 3,060,331 Connected Restricted Shares that may be issued, the shareholding interests of existing public Shareholders will be diluted from approximately 84.16% to approximately 83.72% of the total issued share capital of the Company as at the Latest Practicable Date, and the dilution effect on the shareholdings of the existing public Shareholders is immaterial. Although the Shareholding interest of the public Shareholders will be diluted, taking into account: (i) the reasons for and benefits of the Connected Restricted Shares Grant, the Specific Mandate and the transactions contemplated thereunder as discussed above; (ii) the terms of the Connected Restricted Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole as discussed above, and (iii) there will not be any actual cash outflow by the Group under the Connected Restricted Shares Grant, we consider the dilution to the Independent Shareholders upon the issue and allotment of the Connected Restricted Shares to the Connected Grantees to be acceptable.

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## LETTER FROM OPUS CAPITAL

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### OPINION AND RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Connected Restricted Shares Grant, the Specific Mandate and transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Connected Restricted Shares Grant, the Specific Mandate and transactions contemplated thereunder are conducted under the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting to approve the Connected Restricted Shares Grant, the Specific Mandate and the transaction contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Opus Capital Limited**  
**Cheung On Kit Andrew**  
*Executive Director*

*Mr. Cheung On Kit Andrew is an Executive Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheung has over 14 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.*

\* *For identification purpose only*



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, were as follows:

### Long and short positions in Shares, underlying Shares and debentures of the Company:

Names of Directors	Capacity/Nature of Interests	Number of Shares/underlying Shares held	Approximate percentage of shareholding interest <i>(Note 1)</i>
Dr. Ge Li	Interests of controlled corporations <i>(Note 2)</i>	650,251,133 (L)	15.41%
Dr. Ning Zhao	Interests of spouse <i>(Note 3)</i>	650,251,133 (L)	15.41%
Dr. Zhisheng Chen	Beneficial owner and Founder of a discretionary trust <i>(Note 4)</i>	12,252,988 (L)	0.29%
	Beneficial owner <i>(Note 5)</i>	102,532,000 share options (L)	2.43%
	Beneficial owner <i>(Note 6)</i>	4,491,596 Restricted Shares (L)	0.11%

Names of Directors	Capacity/Nature of Interests	Number of Shares/underlying Shares held	Approximate percentage of shareholding interest (Note 1)
Dr. Weichang Zhou	Beneficial owner	47,754 (L)	0.00%
	Beneficial owner (Note 5)	15,089,000 share options (L)	0.36%
	Beneficial owner (Note 6)	996,132 Restricted Shares (L)	0.02%
Mr. William Robert Keller	Beneficial owner	15,307 (L)	0.00%
	Beneficial owner (Note 6)	2,467 Restricted Shares (L)	0.00%
Mr. Teh-Ming Walter Kwauk	Beneficial owner	13,675 (L)	0.00%
	Beneficial owner (Note 6)	4,934 Restricted Shares (L)	0.00%
Mr. Kenneth Walton Hitchner III	Beneficial owner	40,000 (L)	0.00%
	Beneficial owner (Note 6)	4,934 Restricted Shares (L)	0.00%

## Notes:

1. As at the Latest Practicable Date, total number of Shares in issue is 4,218,706,782 Shares.
2. Dr. Ge Li controlled 19.66% of the issued share capital of Biologics Holdings and 55.03% of the voting power at its general meetings. Hence, Dr. Ge Li is deemed to be interested in 640,191,133 Shares held by Biologics Holdings.
3. Dr. Ning Zhao is the spouse of Dr. Ge Li and is deemed to be interested in the Shares interested by Dr. Ge Li.
4. 10,706,254 Shares were held by Dr. Zhisheng Chen through a trust of which Dr. Zhisheng Chen is the settlor (founder) and his spouse and child are the beneficiaries.
5. Interests in share options granted pursuant to the pre-IPO share option scheme of the Company.
6. Interests in Restricted Shares granted pursuant to the Scheme.

As at the Latest Practicable Date, save as disclosed above, none of the Directors nor chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and shorts position which the directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

### **3. DIRECTORS' INTERESTS**

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since December 31, 2021, being the date to which the latest published consolidated financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.
- (c) None of the Directors or chief executive of the Company and their respective close associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

### **4. SERVICE CONTRACTS**

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 5. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

## Long and short positions in Shares, underlying Shares and debentures of the Company

So far as is known to any Directors or chief executive of the Company, as at the Latest Practicable Date, other than the interests and short positions of the Directors or chief executive of the Company as disclosed in the section “Long and short positions in Shares, underlying Shares and debentures of the Company” above, the following person had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Names of Shareholders	Capacity/Nature of Interests	Number of Shares (Note 1)	Approximate percentage of shareholding interest (Note 2)
Dr. Ge Li	Interests of controlled corporations (Note 3)	650,251,133 (L)	15.41%
Dr. Ning Zhao	Interests of spouse (Note 4)	650,251,133 (L)	15.41%
Mr. Zhaohui Zhang	Interests of parties acting in concert (Note 5)	650,251,133 (L)	15.41%
Mr. Xiaozhong Liu	Interests of parties acting in concert (Note 5)	650,251,133 (L)	15.41%
Life Science Holdings	Interests of controlled corporations (Note 6)	640,191,133 (L)	15.18%
Life Science Limited	Interests of controlled corporations (Note 6)	640,191,133 (L)	15.18%
WuXi PharmaTech	Interests of controlled corporations (Note 6)	640,191,133 (L)	15.18%
Biologics Holdings	Beneficial owner (Note 3)	640,191,133 (L)	15.18%

Names of Shareholders	Capacity/Nature of Interests	Approximate percentage of shareholding interest	
		Number of Shares (Note 1)	(Note 2)
JPMorgan Chase & Co.	Investment manager (Note 7)	415,791,350 (L)	9.86%
		25,148,880 (S)	0.60%
		206,801,712 (P)	4.90%
The Capital Group Companies, Inc.	Interests of controlled corporations (Note 8)	295,660,173 (L)	7.01%
BlackRock, Inc.	Interests of controlled corporations (Note 9)	251,487,778 (L)	5.96%
		674,500 (S)	0.02%

## Notes:

- The letter “L” denotes the person’s long position in the Shares; the letter “S” denotes the person’s short position in the Shares; and the letter “P” denotes the person’s lending pool in the Shares.
- As at the Latest Practicable Date, total number of Shares in issue is 4,218,706,782 Shares.
- Dr. Ge Li controlled 19.66% of the issued share capital of Biologics Holdings and 55.03% of the voting power at its general meetings. Hence, Dr. Ge Li is deemed to be interested in 640,191,133 Shares held by Biologics Holdings.
- Dr. Ning Zhao is the spouse of Dr. Ge Li and is deemed to be interested in the Shares interested by Dr. Ge Li.
- Dr. Ge Li, Dr. Ning Zhao, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu entered into an acting-in-concert agreement on June 30, 2016 to acknowledge and confirm their acting-in-concert relationship in relation to the Company. Hence, Dr. Ge Li, Dr. Ning Zhao, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu are deemed to be interested in the Shares held by each other.
- Life Science Holdings wholly owned Life Science Limited, which wholly owned WuXi PharmaTech, which in turn controlled 44.97% of the voting power at general meetings of Biologics Holdings. Biologics Holdings directly owned 640,191,133 Shares. Life Science Holdings, Life Science Limited and WuXi PharmaTech are deemed to be interested in the Shares held by Biologics Holdings.
- The Shares held by JPMorgan Chase & Co. were held via different entities in the following capacities:

No. of Shares (Note 1)	Capacity
29,114,949 (L)	Interests of controlled corporations
25,148,880 (S)	
179,455,294 (L)	Investment manager

No. of Shares <i>(Note 1)</i>	Capacity
415,971 (L)	Person having a security interest in shares
3,424 (L)	Trustee
206,801,712 (L)	Approved lending agent

8. The Capital Group Companies, Inc. wholly owned Capital Research and Management Company, which wholly owned Capital Group International, Inc., which wholly owned Capital International Limited, Capital International Sàrl and Capital International, Inc., in aggregate interested in 7,953,800 Shares. Capital Research and Management Company is deemed to be interested in 7,953,800 Shares and the 287,706,373 Shares which it has direct interest in. Hence, The Capital Group Companies, Inc. is deemed to be interested in 295,660,173 Shares, which include 534,752 derivative interests.
9. Blackrock Inc., is deemed to be interested in the long position of a total of 251,487,778 Shares and in the short position of 674,500 Shares indirectly through a series of controlled corporations.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

## 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Group since December 31, 2021, the date to which the latest published consolidated financial statements of the Company were made up.

## 7. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

**8. EXPERT AND CONSENT**

The following are the qualifications of the expert who has given opinion or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualifications</b>
Opus Capital	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Independent Financial Advisor

As at the Latest Practicable Date, Opus Capital did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since December 31, 2021 (being the date to which the latest published consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Opus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

**9. GENERAL**

- (a) The authorized share capital of the Company is US\$50,000.
- (b) The principal share registrar and transfer agent of the Company is Maples Fund Services (Cayman) Limited — PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The joint company secretaries of the Company are Mr. Huang Yue and Ms. Sham Ying Man.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

**10. DOCUMENTS AVAILABLE FOR DISPLAY AND INSPECTION**

The following documents will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wuxibiologics.com](http://www.wuxibiologics.com)) for display from the date of this circular up to and including the date of the Annual General Meeting (i.e. from May 18, 2022 to June 10, 2022), and the same will be available for inspection at the Annual General Meeting:

- (a) a copy of the Scheme;
- (b) a copy of the Program;
- (c) the letter from Opus Capital to the Independent Shareholders, the text of which is set out on pages 40 to 70 of this circular; and
- (d) the letter of consent referred to in the paragraph headed “Expert and Consent” in this appendix.



**PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

**(1) Dr. Weichang Zhou — Executive Director**

Dr. Weichang Zhou (周偉昌), aged 58, was appointed as an executive Director, chief technology officer and executive vice president in May 2016, November 2016 and October 2019, respectively. He is primarily responsible for overseeing the development and manufacturing of biologics. He joined the Group in December 2012 as the vice president, responsible for the management of biologics development and manufacturing functions. Prior to joining the Group, Dr. Zhou served as a senior director of Genzyme Corporation (now part of Sanofi) from March 2008 to December 2012, and was responsible for commercial cell culture process development. From October 2002 to February 2008, Dr. Zhou served as a senior director of PDL BioPharma Inc., a biopharmaceutical company listed on NASDAQ, and was responsible for process sciences and engineering functions. From May 1994 to October 2002, Dr. Zhou served as up to an associate director of Merck & Co. Inc., a pharmaceutical company listed on The New York Stock Exchange (stock code: MRK), and was responsible for fermentation and cell culture process development. Dr. Zhou obtained a Ph.D. degree in Chemical Engineering from the University of Hannover in 1989 and conducted postdoctoral research at the German Association of Chemical Engineering and Biotechnology, Swiss Federal Institute of Technology Zurich, and the University of Minnesota.

Save as disclosed above, Dr. Zhou does not, at present, nor did he in the past three years, hold any directorship in any other public companies the securities of which are listed in Hong Kong or overseas.

Dr. Zhou has signed a director's service agreement with the Company for a term of three years which is terminable by either party with three months' written notice, and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Dr. Zhou does not have any relationships with any Directors or senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Zhou was interested in 47,754 Shares, 15,089,000 underlying shares in respect of share options granted to him under the share option scheme of the Company and 996,132 restricted shares granted to him under the Restricted Share Award Scheme entitling him to receive 996,132 Shares upon vesting within the meaning of Part XV of the SFO.

Dr. Zhou is entitled to a salary of RMB1,815,000 per annum and a discretionary bonus, which is determined by the Board at the recommendation of the Remuneration Committee with reference to the Company's performance, the prevailing market condition and his performance.

There is no information which is discloseable nor is/was Dr. Zhou involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to Dr. Zhou's re-election that need to be brought to the attention of the shareholders of the Company.

**(2) Mr. Yibing Wu — Non-executive Director**

Mr. Yibing Wu (吳亦兵), aged 54, was appointed as a non-executive Director in May 2016. He joined the Group in May 2016. Prior to joining the Group, Mr. Wu has been serving as a director of WuXi AppTec since March 2016. Since November 2015, Mr. Wu has been serving as a director of Summer Bloom Investments Pte. Ltd. Since October 2013, Mr. Wu has been working with Temasek International Pte. Ltd. and is currently Global Executive Council Member, the joint head of Technology & Consumer, the head of Enterprise Development Group (China) and the president of China. From April 2011 to April 2014, Mr. Wu served as a director of Neptune Orient Lines Limited, a company listed on the Singapore Exchange Limited (stock code: RE2). From December 2009 to September 2013, Mr. Wu served as the president of CITIC Private Equity Funds Management Co., Ltd. From January 2012 to September 2013, Mr. Wu served as the chairman and chief executive officer of CITIC Goldstone Investment Co. Ltd. From May 2009 to July 2013, Mr. Wu served as a non-executive director of Lenovo Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0992). From September 2008 to November 2009, Mr. Wu served as the executive vice president of Legend Holdings Co., Ltd. From August 2004 to August 2008, Mr. Wu was seconded from McKinsey & Company as the chief strategy officer, chief integration officer, chief transformation officer and chief information officer of Lenovo Group Ltd. From September 1996 to August 2008, he worked with McKinsey & Company, where he was a senior partner, the head of Asia Pacific M&A practice and general manager of Beijing office. Mr. Wu obtained a bachelor's degree in molecular biology from University of Science and Technology of China (中國科學技術大學) in the PRC in July 1989 and a Ph.D. degree in biochemistry and molecular biology from Harvard University in the United States in June 1996.

Save as disclosed above, Mr. Wu does not, at present, nor did he in the past three years, hold any directorship in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Wu has signed a director's service agreement with the Company for a term of three years which is terminable by either party with three months' written notice, and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Save for disclosed herein, Mr. Wu does not have any relationships with any other Directors or senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wu did not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Wu is not entitled to any remuneration for his services as a non-executive Director.

There is no information which is discloseable nor is/was Mr. Wu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to Mr. Wu's re-election that need to be brought to the attention of the shareholders of the Company.

### **(3) Mr. Yanling Cao — Non-executive Director**

Mr. Yanling Cao (曹彦凌), aged 38, was appointed as a non-executive Director in May 2016. He is primarily responsible for providing guidance on corporate strategy and governance to the Group. He joined the Group in May 2016. Prior to joining the Group, Mr. Cao has been serving as the managing director of Boyu Capital Advisory Co. Limited since March 2011 and currently serves as a partner, mainly responsible for investments in the healthcare industry. From December 2007 to January 2011, Mr. Cao served as an investment professional of General Atlantic LLC, and was responsible for private equity and venture capital investment. From July 2006 to November 2007, Mr. Cao served as an investment banker of Goldman Sachs Asia LLC, and was responsible for providing investment banking advisory services to clients in Asia. In addition, Mr. Cao served as a director of CStone Pharmaceuticals (基石藥業), a company listed on the Main Board of the Stock Exchange (stock code: 2616), from April 2016 to March 2017 and has been appointed as a non-executive director since May 2019. From June 2019 to March 2021, Mr. Cao served as a director and then a non-executive director of Hygeia Healthcare Holdings Co., Limited (海吉亞醫療控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6078). Mr. Cao has been serving as a non-executive director of Ocumension Therapeutics (歐康維視生物), a company listed on the Main Board of the Stock Exchange (stock code: 1477), since June 2019. Mr. Cao has also been serving as a non-executive director of Viela Bio Inc., a company listed on NASDAQ (stock code: VIE), since February 2018. From February 2019 to December 2021, Mr. Cao served as a director and then a non-executive director of Antengene Corporation

Limited (德琪醫藥有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6996). From May 2020 to December 2021, Mr. Cao served as an independent non-executive director of JW (Cayman) Therapeutics Co. Ltd (藥明巨諾(開曼)有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2126). Mr. Cao obtained a bachelor's degree in economics and mathematics from Middlebury College in the United States in June 2006.

Save as disclosed above, Mr. Cao does not, at present, nor did he in the past three years, hold any directorship in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Cao has signed a director's service agreement with the Company for a term of three years which is terminable by either party with three months' written notice, and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles of Association.

Save for disclosed herein, Mr. Cao does not have any relationships with any other Directors or senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Cao did not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Cao is not entitled to any remuneration for his services as a non-executive Director.

There is no information which is discloseable nor is/was Mr. Cao involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to Mr. Cao's re-election that need to be brought to the attention of the shareholders of the Company.

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

**1. AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION:**

<b>Existing Provisions of the Memorandum of Association</b>	<b>Proposed Amendments to the Memorandum of Association</b>
<p>4 Except as prohibited or limited by the Companies Law (2016 Revision), the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2016 Revision) and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes,</p>	<p>4 Except as prohibited or limited by the Companies <del>Law (2016 Revision)</del> <u>Act (As Revised)</u>, the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies <del>Law (2016 Revision)</del> <u>Act (As Revised)</u> and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures,</p>

**APPENDIX III            PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<b>Existing Provisions of the Memorandum of Association</b>	<b>Proposed Amendments to the Memorandum of Association</b>
<p>bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company’s assets, the listing of the Company’s shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.</p>	<p>debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company’s assets, the listing of the Company’s shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.</p>

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing Provisions of the Memorandum of Association</b></p>	<p align="center"><b>Proposed Amendments to the Memorandum of Association</b></p>
<p>6 The share capital of the Company is US\$50,000 divided into 2,000,000,000 shares of a nominal or par value of US\$0.000025 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2016 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.</p>	<p>6 The share capital of the Company is US\$50,000 divided into <del>2,000,000,000</del> <u>6,000,000,000</u> shares of a nominal or par value of <del>US\$0.000025</del> <u>1/120,000</u> each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies <del>Law (2016 Revision)</del> <u>Act (As Revised)</u> and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.</p>
<p>7 If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2016 Revision) and, subject to the provisions of the Companies Law (2016 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.</p>	<p>7 If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies <del>Law (2016 Revision)</del> <u>Act (As Revised)</u> and, subject to the provisions of the Companies <del>Law (2016 Revision)</del> <u>Act (As Revised)</u> and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.</p>

**APPENDIX III            PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

**2. AMENDMENTS TO THE ARTICLES OF ASSOCIATION:**

<b>Existing Provisions of the Articles of Association</b>	<b>Proposed Amendments to the Articles of Association</b>
2.2 “Companies Law” shall mean the Companies Law (2016 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.	2.2 “Companies <del>Law</del> <u>Act</u> ” shall mean the Companies <del>Law</del> <u>(2016 Revision), Cap. 22 Act</u> (As Revised) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.  <i>Note: All references to “Companies Law” are changed to “Companies Act”.</i>
2.2 “Electronic Transactions Law” shall mean the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.	2.2 “Electronic Transactions <del>Law</del> <u>Act</u> ” shall mean the Electronic Transactions <del>Law</del> <u>(2003 Revision) Act</u> (As Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.



**APPENDIX III      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<b>Existing Provisions of the Articles of Association</b>	<b>Proposed Amendments to the Articles of Association</b>
<p>2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:...</p> <p>(The provisions on the right column are newly added definitions.)</p>	<p>2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:...</p> <p><u>“Communication Facilities” shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and being heard by each other.</u></p> <p><u>“Person” shall mean any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.</u></p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

Existing Provisions of the Articles of Association	Proposed Amendments to the Articles of Association
	<p><u>“Present” shall mean, in respect of any Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being:</u></p> <ul style="list-style-type: none"> <li>(a) <u>physically present at the meeting; or</u></li> <li>(b) <u>in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities.</u></li> </ul> <p><u>“Virtual Meeting” shall mean any general meeting of the members at which the members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.</u></p>
2.6 Sections 8 and 19 of the Electronic Transactions Law shall not apply.	2.6 Sections 8 and 19(3) of the Electronic Transactions <del>Law</del> <u>Act</u> shall not apply.
3.1 The authorised share capital of the Company at the date of the adoption of these Articles is US\$50,000 divided into 2,000,000,000 shares of a nominal or par value of US\$0.000025 each.	3.1 The authorised share capital of the Company at the date of the adoption of these Articles is US\$50,000 divided into <del>2,000,000,000</del> <u>6,000,000,000</u> shares of a nominal or par value of US\$0.000025 <u>1/120,000</u> each.

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing Provisions of the Articles of Association</b></p>	<p align="center"><b>Proposed Amendments to the Articles of Association</b></p>
<p>(Not applicable. The provision on the right column is newly added.)</p>	<p>12.4 <u>The Directors may make Communication Facilities available for a specific general meeting or all general meetings of the Company so that members and other participants may attend and participate at such general meetings by means of such Communication Facilities. Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting.</u></p>

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<p style="text-align: center;"><b>Existing Provisions of the Articles of Association</b></p>	<p style="text-align: center;"><b>Proposed Amendments to the Articles of Association</b></p>
<p>12.4 An annual general meeting shall be called by not less than 21 days’ notice in writing and any extraordinary general meeting shall be called by not less than 14 days’ notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.</p>	<p>12.45 An annual general meeting shall be called by not less than 21 days’ notice in writing and any extraordinary general meeting shall be called by not less than 14 days’ notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. <u>The notice of any general meeting at which Communication Facilities will be utilised (including any Virtual Meeting) must disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting.</u> Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.</p>

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

<p style="text-align: center;"><b>Existing Provisions of the Articles of Association</b></p>	<p style="text-align: center;"><b>Proposed Amendments to the Articles of Association</b></p>
<p>13.1 For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.</p>	<p>13.1 For all purposes the quorum for a general meeting shall be two members <del>present in person (or in the case of a corporation, by its duly authorised representative) or by proxy</del> <u>Present</u> provided always that if the Company has only one member of record the quorum shall be that one member <del>present in person or by proxy</del> <u>Present</u>. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be <del>present</del> <u>Present</u> at the commencement of the business.</p>
<p>13.2 If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.</p>	<p>13.2 If within 15 minutes from the time appointed for the meeting a quorum is not <del>present</del> <u>Present</u>, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not <del>present</del> <u>Present</u> within 15 minutes from the time appointed for holding the meeting, the member or members <del>present in person (or in the case of a corporation, by its duly authorised representative) or by proxy</del> <u>Present</u> shall be a quorum and may transact the business for which the meeting was called.</p>

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing Provisions of the Articles of Association</b></p>	<p align="center"><b>Proposed Amendments to the Articles of Association</b></p>
<p>13.3 The chairman of the board of Directors shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.</p>	<p>13.3 The chairman of the board of Directors shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be <del>present</del> <u>Present</u> within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors <del>present</del> <u>Present</u> shall choose another Director as Chairman, and if no Director be <del>present</del> <u>Present</u>, or if all the Directors <del>present</del> <u>Present</u> decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members <del>present</del> <u>Present</u> (<del>whether in person or represented by proxy or duly authorised representative</del>) shall choose one of their own number to be Chairman.</p>

**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<p><b>Existing Provisions of the Articles of Association</b></p>	<p><b>Proposed Amendments to the Articles of Association</b></p>
<p>(Not applicable. The provision on the right column is newly added.)</p>	<p>13.4 <u>The Chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the Chairman, in which event:</u></p> <ul style="list-style-type: none"> <li data-bbox="868 608 1390 683">(a) <u>the Chairman shall be deemed to be Present at the meeting; and</u></li> <li data-bbox="868 736 1390 1491">(b) <u>if the Communication Facilities are interrupted or fail for any reason to enable the Chairman to hear and be heard by all other Persons attending and participating at the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as Chairman of the meeting for the remainder of the meeting, provided that (i) if no other Director is Present at the meeting, or (ii) if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the Board.</u></li> </ul>

**APPENDIX III            PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<b>Existing Provisions of the Articles of Association</b>	<b>Proposed Amendments to the Articles of Association</b>
<p>13.4 The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days’ notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>	<p>13.4<sup>5</sup> The Chairman may, with the consent of any general meeting at which a quorum is <del>present</del> <u>Present</u>, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days’ notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>



**APPENDIX III                      PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<b>Existing Provisions of the Articles of Association</b>	<b>Proposed Amendments to the Articles of Association</b>
<p>14.1 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.</p>	<p>14.1 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member <del>present in person (or, in the case of a member being a corporation, by its duly authorised representative)</del> <u>Present</u> shall have one vote, and on a poll every member <del>present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy</del> <u>Present</u> shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.</p>

**APPENDIX III            PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<p align="center"><b>Existing Provisions of the Articles of Association</b></p>	<p align="center"><b>Proposed Amendments to the Articles of Association</b></p>
<p>14.4 Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.</p>	<p>14.4 Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be <del>present</del> <u>Present</u> at any meeting <del>personally or by proxy</del>, that one of the said persons so <del>present</del> <u>Present</u> being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.</p>
<p>14.6 Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.</p>	<p>14.6 Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be <del>present</del> <u>Present</u> or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.</p>

**APPENDIX III            PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

<b>Existing Provisions of the Articles of Association</b>	<b>Proposed Amendments to the Articles of Association</b>
<p>14.14 Any corporation which is a member may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member and where a corporation is so represented, it shall be treated as being present at any meeting in person.</p>	<p>14.14 Any corporation which is a member may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member and where a corporation is so represented, it shall be treated as being <del>present</del> <u>Present</u> at any meeting in person.</p>
<p>34. The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it.</p>	<p><del>34. The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it.</del> <u>Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31 December in each year and, following the year of incorporation, shall begin on 1 January in each year.</u></p>

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## **APPENDIX IV EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE**

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The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,218,706,782 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period from the date of resolution granting the Share Repurchase Mandate until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting, a total of 421,870,678 Shares, representing 10% of the total number of Shares in issue as at the date of passing of the relevant resolution for granting the Share Repurchase Mandate.

### **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the interests of the Company and the Shareholders as a whole.

Share repurchase may depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors have sought the granting of the Share Repurchase Mandate to give the Company more flexibility to repurchase the Shares on the Stock Exchange if and when appropriate. The repurchase of the Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

### **3. FUNDING OF SHARE REPURCHASE**

The Company may only apply funds legally available for share repurchase in accordance with the Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

**4. IMPACT OF SHARE REPURCHASE**

Any repurchase of the Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the Latest Practicable Date as these will depend on whether the Shares are purchased or acquired out of capital or profits, the number of shares purchased or acquired and the price at which such Shares were purchased or acquired.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended December 31, 2021) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Share Price Per Share</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2021</b>		
May	121.40	98.00
June	147.30	115.50
July	148.00	103.60
August	135.80	99.20
September	127.30	110.50
October	124.80	105.10
November	118.80	92.05
December	108.60	73.65
<b>2022</b>		
January	94.65	72.10
February	82.45	55.00
March	71.50	40.30
April	70.55	52.70
May ( <i>up to and including the Latest Practicable Date</i> )	61.40	46.80

**6. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

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**APPENDIX IV EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE**

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The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**7. TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge and belief of the Directors, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the proposed Share Repurchase Mandate.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

During the six months prior to the Latest Practicable Date, the Company has repurchased a total of 45,058,000 Shares on the Stock Exchange and the details are set out below:

<b>Date of Repurchase</b>	<b>No. of Shares</b>	<b>Purchase Price</b>	
		<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
December 16, 2021	7,943,500	89.40	86.70
December 17, 2021	7,785,500	94.35	88.15
December 21, 2021	3,955,000	89.35	86.35
December 22, 2021	2,282,500	88.30	86.10
December 28, 2021	2,252,000	89.60	87.65
December 29, 2021	3,448,000	87.55	85.90
December 30, 2021	4,489,000	90.35	86.50
December 31, 2021	2,467,000	92.55	91.40
January 4, 2022	4,868,500	82.90	80.55
January 5, 2022	5,567,000	80.35	78.45
<b>Total</b>	<b>45,058,000</b>		

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**APPENDIX IV EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE**

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As of the Latest Practicable Date, the repurchased Shares had been cancelled by the Company.

The repurchases were effected for the benefit of the Company and the Shareholders as a whole by enhancing the value of net assets per share and earnings per share of the Company.



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the “**Meeting**”) of WuXi Biologics (Cayman) Inc. 藥明生物技術有限公司\* (the “**Company**”) will be held at 26/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, June 10, 2022 at 10:00 a.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the Directors and of the independent auditor of the Company for the year ended December 31, 2021.
2. To re-elect the following Directors, each as a separate resolution:
  - (a) To re-elect Dr. Weichang Zhou as executive Director.
  - (b) To re-elect Mr. Yibing Wu as non-executive Director.
  - (c) To re-elect Mr. Yanling Cao as non-executive Director.
3. To authorize the board of Directors or any duly authorized board committee to fix the Directors’ remuneration for the year ending December 31, 2022.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditors and to authorize the board of Directors or any duly authorized board committee to fix their remuneration.

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraphs (b) and (c) below, a general and unconditional mandate be and is hereby given to the Directors to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and deal with the shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, whether during the continuance of the Relevant Period or thereafter, in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution) and the said approval shall be limited accordingly:
  - (i) a rights issue where shares are offered for a period fixed by the Directors to shareholders on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or stock exchange in Hong Kong, or in any territory applicable to the Company) and an offer, issue or allotment of shares by way of rights shall be constructed accordingly;
  - (ii) the exercise of options under a share option scheme;
  - (iii) any scrip dividend scheme or similar arrangement providing for the issue and allotment of shares in lieu of the whole or in part of any dividend in accordance with the articles of association of the Company; or
  - (iv) any specific authority granted or to be granted by the shareholders of the Company in general meeting;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the mandate in paragraph (a) above shall authorize the Directors to issue and allot, or agree conditionally or unconditionally to issue and allot the shares of the Company for cash consideration, provided that the relevant price for shares shall not represent a discount of more than 10% to the Benchmarked Price (as hereinafter defined) of the shares of the Company; and
- (d) for the purposes of this resolution:

“**Benchmarked Price**” means the higher of:

- (i) the closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the date of the agreement involving the relevant proposed issue of shares of the Company; and
- (ii) the average closing price of the shares of the Company as quoted on the Stock Exchange for the five trading days immediately prior to the earlier of:
  - (A) the date of announcement of the transaction or arrangement involving the proposed issue of shares of the Company;
  - (B) the date of the agreement involving the relevant proposed issue of shares of the Company; and
  - (C) the date on which the price of the shares of the Company that are proposed to be issued is fixed.

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, a general and unconditional mandate be and is hereby given to the Directors to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to purchase its own shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the shares of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong (the **“Securities and Futures Commission”**) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission and the Stock Exchange or of any other stock exchange as amended from time to time;
- (b) the total number of shares of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution) and the approval pursuant to paragraph (a) shall be limited accordingly; and
- (c) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

7. **“THAT**

(a) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in an aggregate of 3,060,331 new shares of the Company (the **“Connected Restricted Shares”**), the directors of the Company (the **“Directors”**) be and are hereby granted a specific mandate (the **“Specific Mandate”**) for the issue and allotment of the Connected Restricted Shares to Computershare Hong Kong Trustees Limited to hold on trust for selected participants who are Directors and/or directors of certain subsidiaries of the Company, accordingly connected persons (as defined in Chapter 14A of the Listing Rules) of the Company, and are selected by the Board for participation in the restricted share award scheme (the **“Scheme”**) adopted by the Company on January 15, 2018 (a copy of which has been produced at the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and the share award scheme for Global Partner Program (the **“Program”**) adopted by the Company on June 16, 2021 (a copy of which has been produced at the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification); and

(b) any one of the Directors be and is hereby authorized for and on behalf of the Company to take any action and execute such other documents as he considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the issue and allotment of the Connected Restricted Shares under the Specific Mandate and the transactions contemplated thereunder.”

8. **“THAT** the grant of (a) 1,324,333 Connected Restricted Shares pursuant to the Scheme; and (b) the grant of 877,694 Connected Restricted Shares pursuant to the Program to Dr. Zhisheng Chen be and is hereby approved and confirmed.”

9. **“THAT** the grant of (a) 450,281 Connected Restricted Shares pursuant to the Scheme; and (b) the grant of 298,416 Connected Restricted Shares pursuant to the Program to Dr. Weichang Zhou be and is hereby approved and confirmed.”

10. **“THAT** the grant of 4,145 Connected Restricted Shares pursuant to the Scheme to Mr. William Robert Keller be and is hereby approved and confirmed.”

11. **“THAT** the grant of 4,145 Connected Restricted Shares pursuant to the Scheme to Mr. Teh-Ming Walter Kwauk be and is hereby approved and confirmed.”

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## NOTICE OF ANNUAL GENERAL MEETING

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12. “**THAT** the grant of 8,291 Connected Restricted Shares pursuant to the Scheme to Mr. Kenneth Walton Hitchner III be and is hereby approved and confirmed.”
13. “**THAT** the grant of (a) 33,565 Connected Restricted Shares pursuant to the Scheme; and (b) the grant of 29,251 Connected Restricted Shares pursuant to the Program to Mr. Angus Scott Marshall Turner be and is hereby approved and confirmed.”
14. “**THAT** the grant of (a) 12,424 Connected Restricted Shares pursuant to the Scheme; and (b) the grant of 17,786 Connected Restricted Shares pursuant to the Program to Mr. Brendan McGrath be and is hereby approved and confirmed.”
15. “**THAT** the grant of 32,160,000 share options pursuant to the share option scheme of WuXi XDC Cayman Inc. adopted by shareholders of the Company on November 23, 2021 to Dr. Jincai Li be and is hereby approved and confirmed.”
16. “**THAT** the grant of 31,980,000 share options pursuant to the share option scheme of WuXi Vaccines (Cayman) Inc. adopted by shareholders of the Company on November 23, 2021 to Mr. Jian Dong be and is hereby approved and confirmed.”

To consider and, if thought fit, pass the following resolutions as a special resolution:

17. “**THAT** the second amended and restated memorandum and articles of association of the Company, which contain the proposed amendments to the amended and restated memorandum and articles of association of the Company currently in effect (the “**Existing Memorandum and Articles of Association**”) as set out in Appendix III of the circular of the Company dated May 18, 2022 (a copy of which has been produced at the Meeting marked “C” and signed by the chairman of the Meeting for the purpose of identification), be and are hereby approved and adopted in substitution for and to the exclusion of the Existing Memorandum and Articles of Association with immediate effect.”

For and on behalf of the Board  
**WuXi Biologics (Cayman) Inc.**  
**Dr. Ge Li**  
*Chairman*

Hong Kong, May 18, 2022

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. All resolutions at the Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the shareholder to speak at the Meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint any number of proxies to attend in his stead at the Meeting.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting (i.e. no later than 10:00 a.m. on Wednesday, June 8, 2022, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
4. For determining the qualification as shareholders of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, June 7, 2022 to Friday, June 10, 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, June 6, 2022.
5. Detailed information of all resolutions as set out in the Notice of Annual General Meeting is included in the circular to be despatched to shareholders of the Company on May 18, 2022 (the “**Circular**”). The Circular is to be sent to all shareholders of the Company together with this notice. The Circular can also be viewed and downloaded from the website of the Company ([www.wuxibiologics.com](http://www.wuxibiologics.com)) and the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).
6. In case of joint shareholding, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding. Accordingly, investors who wish to have joint shareholding in the Company should bear in mind the above provision when they decide the way in which their names being provided for share registration.
7. In order to facilitate the prevention and control of the spread of the coronavirus pandemic (COVID-19) and to better protect the safety and health of the shareholders of the Company, the Company strongly encourages shareholders of the Company to consider appointing the Chairman of the Meeting as his/her/its proxy to vote on the resolutions as an alternate to attending in person.

The Company will keep monitoring the evolving COVID-19 situation and may implement additional measures which, if any, will be announced closer to the date of the Meeting.

*As at the date of this notice, the board of directors of the Company comprises Dr. Zhisheng Chen and Dr. Weichang Zhou as executive Directors; Dr. Ge Li, Dr. Ning Zhao, 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.*