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)

INSIDE INFORMATION
LICENSE AGREEMENT WITH ARCUS

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

LICENSE AGREEMENT

The board (the "**Board**") of directors (the "**Directors**") of WuXi Biologics (Cayman) Inc. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that on August 17, 2017 (after trading hours), the Company entered into a license agreement (the "**License Agreement**") with Arcus Biosciences, Inc. ("**Arcus**"), a biotechnology company based in the United States, in relation to, among others, the grant of exclusive license to certain development and commercialization rights of the Antibody (as defined below).

The Group's business partner, Harbin Gloria Pharmaceuticals Co., Ltd.* (哈爾濱譽衡藥業股份有限公司) ("**Gloria Pharmaceuticals**") contracted the Group to discover and develop a novel anti-PD-1 antibody, namely, GLS-010 (also known as "WBP3055") (the "**Antibody**"), using transgenic rat platform OmniRat® from Ligand Pharmaceuticals. The Antibody is an investigational fully human monoclonal antibody that belongs to a class of immuno-oncology agents known as immune checkpoint inhibitors. It is designed to bind to PD-1, a cell surface receptor that plays an important role in the downregulation of the immune system by preventing the activation of T-cells. Other anti-PD-1 antibodies have been approved by the Food and

Drug Administration of the United States in multiple cancer settings. It is estimated that more than 500 clinical trials are ongoing to continue to investigate this class of biologics for more than 20 different cancer indications. The Antibody is currently being evaluated in cancer patients in phase I clinical studies in China.

Based on the terms of the License Agreement, Arcus was granted an exclusive license to certain development and commercialization rights of the Antibody in North America, Europe, Japan and certain other territories (the "**Territories**"). The Company and Gloria Pharmaceuticals will receive from Arcus upfront and milestone fees up to an aggregate amount of US$816 million, comprising (i) upfront fee of US$18.5 million, (ii) development and regulatory milestones fees of up to US$422.5 million for the development and approval of 11 products that include the Antibody as a component, and (iii) commercial milestones fees of up to US$375 million. Further, Arcus will pay tiered royalty fees (ranged from high single-digit percentage to low double-digit percentage) on the net sales of the Antibody products.

In addition, Arcus plans on developing the Antibody as a combination product with the other product candidates in its portfolio. The Company and Arcus intend to enter into an exclusive agreement in relation to the development and manufacturing of Arcus's biologics portfolio for a term of three years, and the Company will be appointed as the exclusive manufacturer for the Antibody in the Territories.

INFORMATION ON THE PARTIES

The Group is a global leading open-access biologics technology platform company offering end-to-end solutions for biologics discovery, development and manufacturing.

Gloria Pharmaceuticals is a China-based pharmaceutical company, whose shares are listed on the Shenzhen Stock Exchange (stock code: 002437), focusing on the areas of orthopedics, cardiovascular and metabolic diseases, and oncology.

Arcus is a United States-based biotechnology company focusing on discovery and development of innovative cancer immunotherapies.

To the best of the Director's information, knowledge and belief of the Directors, after having making all reasonable enquiries, each of Arcus and Gloria Pharmaceuticals is an independent third party to the Company.

REASONS FOR AND BENEFITS FOR ENTERING INTO THE LICENSE AGREEMENT

The Board is of the view that the License Agreement enables both parties to leverage on their respective strengths and resources to pursue and accelerate the development

of the anti-PD-1 antibodies, and the entry of the License Agreement is in the ordinary course of business of the Group and in the interests of the Company and its shareholders as a whole. The Board would like to emphasize that no forecast or prediction of the profits of the Group has been made with regard to the entry of the License Agreement. Further announcement(s) will be made by the Company in accordance with the requirements under the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, August 17, 2017

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

** For identification purpose only*