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WUXI BIOLOGICS (CAYMAN) INC.

藥明生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2269)

**DISCLOSEABLE TRANSACTION
FORMATION OF THE JOINT VENTURE**

The Board is pleased to announce that on July 18, 2018, the Company, through its designated wholly-owned subsidiaries, entered into a joint venture agreement with Hile in relation to the formation of the Joint Venture which shall primarily engage in human vaccine (e.g. cancer vaccine) CDMO business and provision of end-to-end integrated service and solution platform covering the discovery, development and manufacturing of human vaccine from concept to commercial manufacturing.

Pursuant to the JV Agreement, the Joint Venture shall, upon its establishment, be owned by the Company and Hile as to 70% and 30%, respectively. The total registered capital of the Joint Venture is proposed to be RMB500 million, of which the Company and Hile will contribute in cash RMB350 million and RMB150 million, respectively.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the Joint Venture pursuant to the JV Agreement is more than 5% but all of them are less than 25%, the entering into the JV Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on July 18, 2018, the Company entered into a joint venture agreement with Hile for the formation of the Joint Venture which shall primarily engage in human vaccine (e.g. cancer vaccine) CDMO business and

provision of end-to-end integrated service and solution platform covering the discovery, development and manufacturing of human vaccine from concept to commercial manufacturing.

THE JV AGREEMENT

The principal terms of the JV Agreement are summarized below:

Date: July 18, 2018

Parties and shareholding ratio: (1) The Company (through its designated wholly-owned subsidiaries) (70%)
(2) Hile (30%)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Hile and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Capital contribution: The total registered capital of the Joint Venture is proposed to be RMB500 million, which will be contributed in cash by the parties as follows:

- (1) RMB350 million (amounting to 70% of the total capital contribution) by the Company (through its designated wholly-owned subsidiaries); and
- (2) RMB150 million (amounting to 30% of the total capital contribution) by Hile.

Upon its establishment, the Joint Venture will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

The amount of capital contribution to the Joint Venture was determined after arm's length negotiation between the parties to the JV Agreement with reference to the capital contribution intentions and the respective shareholdings of the parties. Capital contribution by the Company will be funded by the internal resources of the Group.

- Scope of business: The Joint Venture shall primarily engage in human vaccine (e.g. cancer vaccine) CDMO business and provision of end-to-end integrated service and solution platform covering the discovery, development and manufacturing of human vaccine from concept to commercial manufacturing.
- Board composition: The board of directors of the Joint Venture will comprise three directors, of which the Company shall be entitled to appoint two directors and Hile shall be entitled to appoint one director. Further, the Company shall be entitled to appoint the chairman of the board of directors and the legal representative of the Joint Venture.
- Term of business: A term of 30 years or the longest period that is permitted under the applicable PRC law (whichever is longer).

INFORMATION ON THE GROUP AND THE PARTIES TO THE JV AGREEMENT

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

Hile is a company incorporated in the PRC with limited liability and has been listed on the Shanghai Stock Exchange (Stock code: 603718) since 2015. It is primarily engaged in the development, production and sales of animal vaccine and has years of experience in vaccine development and manufacturing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Hile and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

Through the establishment of the Joint Venture, the Company and Hile are able to complement the strengths and share the resources of each other to the benefit of the business development of the Joint Venture. The Directors believe that the establishment of the Joint Venture is in line with the Company's overall development strategy and it will seize the emerging opportunities of human vaccine CDMO business, which in turn benefit the development of healthcare industry.

The Directors (including the independent non-executive Directors) are of the view that the terms of the JV Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the Joint Venture pursuant to the JV Agreement is more than 5% but all of them are less than 25%, the entering into the JV Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors from time to time
“CDMO”	Contract development and manufacturing organization
“Company”	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Hile”	Shanghai Hile Bio-pharmaceutical Co., Ltd. (上海海利生物技術股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (Stock code: 603718) in 2015
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement dated July 18, 2018 entered into between the Company (through its designated wholly-owned subsidiaries) and Hile in relation to the formation of the Joint Venture

“Joint Venture”	a limited liability company to be formed under the JV Agreement and to be incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, July 18, 2018

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*