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**WUXI BIOLOGICS (CAYMAN) INC.**

**藥明生物技術有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2269)**

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

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

The Board is pleased to announce that on March 19, 2019, it has approved, subject to acceptance of the Grantees, the grant of an aggregate of 1,223,464 Restricted Shares to the Grantees, of which (i) 64,986 Restricted Shares are granted to 6 employees of the Company (who are not connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the 2018 General Mandate and in accordance with the terms of the Rules; and (ii) 1,158,478 Restricted Shares are proposed to be granted to 5 Directors (who are connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the Specific Mandate and in accordance with the terms of the Rules.

The new Shares to be issued and allotted by the Company to the Trustee pursuant to the Grant represent approximately 0.1% of the Company's issued share capital as at the date of this announcement and approximately 0.1% of the Company's enlarged issued share capital after the said issue and allotment.

## **LISTING RULES IMPLICATIONS**

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

The 2019 AGM will be convened and held to consider, and if thought fit, approve, among other things, the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated therein.

The Independent Board Committee comprising Mr. Teh-Ming Walter Kwauk, the only independent non-executive Director who is not a Connected Grantee, has been formed to advise the Independent Shareholders on the issue and allotment of the Connected Restricted Shares to the Connected Grantees.

A circular containing, among other things, further details of the issue and allotment of the Connected Restricted Shares and the Specific Mandate, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares to the Connected Grantees, other relevant resolutions to be considered at the 2019 AGM, and the notice convening the 2019 AGM will be despatched to the Shareholders on or before April 10, 2019.

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR**

Gram Capital has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares described herein.

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

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

The Board is pleased to announce that on March 19, 2019, it has approved, subject to acceptance of the Grantees, the grant of an aggregate of 1,223,464 Restricted Shares to the Grantees, of which (i) 64,986 Restricted Shares are granted to 6 employees of the Company (who are not connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the 2018 General Mandate and in accordance with the terms of the Rules; and (ii) 1,158,478 Restricted Shares are proposed to be granted to 5 Directors (who are connected persons of the Company) and shall be satisfied by the issue and allotment of new Shares to the Trustee pursuant to the Specific Mandate and in accordance with the terms of the Rules.

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

The new Shares to be issued and allotted by the Company to the Trustee pursuant to the Grant represent approximately 0.1% of the Company's issued share capital as at the date of this announcement and approximately 0.1% of the Company's enlarged issued share capital after the said issue and allotment.

Set out below are the details of the Grant:

<b>Name of the Grantees</b>	<b>Number of Grant Shares</b>
<b>Non-connected Grantees</b>	
6 employees of the Company, who to the best knowledge of the Directors, are not connected persons of the Company	64,986
<b>Connected Grantees</b>	
Dr. Zhisheng Chen ( <i>Executive Director</i> )	986,500
Dr. Weichang Zhou ( <i>Executive Director</i> )	157,840
Mr. Edward Hu ( <i>Non-executive Director</i> )	5,655
Mr. William Robert Keller ( <i>Independent non-executive Director</i> )	2,828
Mr. Wo Felix Fong ( <i>Independent non-executive Director</i> )	5,655
<b>Total Connected Restricted Shares</b>	<u>1,158,478</u>
<b>Total Grant Shares</b>	<u><u>1,223,464</u></u>

**Grant Date:** March 19, 2019, whereas the grant to the Connected Grantees will be subject to the approval by the Independent Shareholders at the 2019 AGM

**Market price of the Shares:** The closing price of the Shares on the Grant Date as quoted on the Stock Exchange is HK\$83.35 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the Grant Date as quoted on the Stock Exchange is HK\$79.57 per Share

### **Conditions precedent**

The issue and allotment of 64,986 new Restricted Shares to the Non-connected Grantees shall be subject to the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in such Restricted Shares.

The issue and allotment of the 1,158,478 Connected Restricted Shares to the Connected Grantees shall be subject to (i) the approval by the Independent Shareholders at the 2019 AGM 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 Connected Restricted Shares.

## **REASONS FOR THE GRANT OF RESTRICTED SHARES**

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

The Scheme forms part of the incentive schemes of the Group. The Board considers that the grant of the Restricted Shares to the Grantees is to (i) recognize and reward the contributions made by Grantees; (ii) encourage, motivate and retain the Grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the Grantees to achieve performance goals, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Grantees to the Shareholders through ownership of Shares. In particular, with respect to the Connected Grantees, the grant to the executive Directors, namely, Dr. Zhisheng Chen and Dr. Weichang Zhou, serves as discretionary bonus in recognition of their valuable and substantial contributions to the Company; and the grant to the non-executive Director, namely, Mr. Edward Hu, and independent non-executive Directors, namely Mr. William Robert Keller and Mr. Wo Felix Fong, serves as part of the remuneration package for the services provided by them to the Company.

Furthermore, there will not be any actual cash outflow by the Group under the Grant to provide incentives to the Grantees. In this regard, the Directors consider that the number of Restricted Shares, the terms and conditions of the issue and allotment of new Restricted Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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

## **LISTING RULES IMPLICATIONS**

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

The 2019 AGM will be convened and held to consider, and if thought fit, approve, among other things, the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated therein.

To the best of the knowledge, information and belief of the Directors, save for the Connected Grantees and their respective associates as, no other Shareholder is required to abstain from voting on the resolution(s) to approve, among other things, the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder at the 2019 AGM.

The Independent Board Committee comprising Mr. Teh-Ming Walter Kwauk, the only independent non-executive Director who is not a Connected Grantee, has been formed to advise the Independent Shareholders on the issue and allotment of the Connected Restricted Shares to the Connected Grantees.

A circular containing, among other things, further details of the issue and allotment of the Connected Restricted Shares and the Specific Mandate, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares to the Connected Grantees, other relevant resolutions to be considered at the 2019 AGM, and the notice convening the 2019 AGM will be despatched to the Shareholders on or before April 10, 2019.

Each of Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. Edward Hu, Mr. William Robert Keller and Mr. Wo Felix Fong has abstained from approving the relevant board resolution on the issue and allotment of the Connected Restricted Shares to them under the Scheme.

## APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

Gram Capital has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares described herein.

### DEFINITIONS

“Announcements”	announcements of the Company dated January 15, 2018 and January 18, 2018 in relation to the adoption of restricted share award scheme and appointment of trustee
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Company”	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on February 27, 2014
“Connected Grantee(s)”	the Grantee(s) who are connected person(s) of the Company
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Connected Restricted Shares”	1,158,478 Restricted Shares granted by the Company to the Connected Grantees
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	any Director or employee of the Group
“Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial advisor appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the issue and allotment of Connected Restricted Shares
“Grant”	the grant of the Grant Shares to the Grantees on March 19, 2019

“Grantee(s)”	the selected participant(s) granted or proposed to be granted the Grant Shares under the Scheme
“Grant Shares”	an aggregate of 1,223,464 Restricted Shares to be granted to the Grantees pursuant to the Grant
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board comprising Mr. Teh-Ming Walter Kwauk, the only independent non-executive Director who is not a Connected Grantee, established for the purpose of advising the Independent Shareholders on the issue and allotment of the Connected Restricted Shares to the Connected Grantees, the Specific Mandate and transactions contemplated thereunder
“Independent Shareholders”	independent Shareholders other than the Connected Grantees and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-connected Grantee(s)”	the Grantee(s) who are not connected person(s) of the Company
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Rules”	the rules governing the Scheme adopted by the Board
“Scheme”	the Restricted Share Award Scheme adopted by the Board on January 15, 2018 whereby awards of Restricted Shares may be made to Eligible Participants under the Scheme (such Shares being subscribed or purchased by the Trustee)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.000025 each
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the 2019 AGM to grant the authority to the Board for the issue and allotment of the Connected Restricted Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the trustee for the time being of the Scheme, being Computershare Hong Kong Trustees Limited (which is independent and not connected with the Company and connected persons of the Company)
“2018 AGM”	the annual general meeting of the Company held on June 12, 2018
“2018 General Mandate”	the general mandate approved and granted by the Shareholders to the Directors to issue, allot and otherwise deal with new Shares at the 2018 AGM
“2019 AGM”	the annual general meeting of the Company to be convened for the purpose of, among other things, considering and, if thought fit, approving, among other things, the issue and allotment of the Connected Restricted Shares, the Specific Mandate and the transactions contemplated thereunder
“%”	per cent.

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

Hong Kong, March 19, 2019

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

\* *For identification purpose only*