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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.

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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) PROPOSED ELECTION OF NEW DIRECTOR**
- (3) CONNECTED TRANSACTION INVOLVING GRANT OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE**
- (4) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**
- AND**
- (5) 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 the meeting room of Kerry Hotel, 1388 Hua Mu Road, Pudong, Shanghai, China on Tuesday, June 9, 2020 at 2:00 p.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 2:00 p.m. on Sunday, June 7, 2020, 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 5 to 20 of this circular. A letter from Opus Capital, the Independent Financial Advisor, containing its advice to the Independent Shareholders, is set out on pages 21 to 43 of this circular.

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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 the meeting room of Kerry Hotel, 1388 Hua Mu Road, Pudong, Shanghai, China on Tuesday, June 9, 2020 at 2:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 61 to 66 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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 Grantee(s) who are connected person(s) of the Company, namely, Dr. Zhisheng Chen, Dr. Weichang Zhou, Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Connected Restricted Shares”	522,211 Restricted Shares granted by the Company to the Connected Grantees
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any Director or employee of the Group

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## DEFINITIONS

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“Grant”	the grant of the 2,297,402 Restricted Shares to the Grantees on March 27, 2020
“Grantee(s)”	the selected Eligible Participant(s) granted or proposed to be granted the 2,297,402 Restricted Shares under the Scheme
“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”	the independent Shareholders other than the Connected Grantees and their respective associates
“Latest Practicable Date”	May 6, 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Mr. Fong”	Mr. Wo Felix Fong, an independent non-executive Director as of the Latest Practicable Date
“Mr. Hitchner”	Mr. Kenneth Walton Hitchner III

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## DEFINITIONS

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“Non-connected Grantee(s)”	the Grantee(s) who are not connected person(s) of the Company
“Nomination Committee”	the nomination committee of the Board
“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
“RMB”	Renminbi, the lawful currency of the PRC
“RSU Grant Announcement”	the announcement of the Company dated March 27, 2020 in relation to, among others, the grant of the 2,297,402 Restricted Shares to the Grantees and the appointment of the Independent Financial Advisor
“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
“Share(s)”	the ordinary share(s) in the capital of the Company with nominal value of US\$0.000025 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 20% 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

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## DEFINITIONS

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“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 7 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“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)
“US”	The United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
“2019 AGM”	the annual general meeting of the Company held on June 5, 2019
“2019 General Mandate”	the general mandate granted by the Shareholders to the Directors to issue, allot and otherwise deal with new Shares at the 2019 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*)  
Mr. Edward Hu  
Mr. Yibing Wu  
Mr. Yanling Cao

*Independent Non-executive Directors:*

Mr. William Robert Keller  
Mr. Teh-Ming Walter Kwauk  
Mr. Wo Felix Fong

*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 11, 2020

*To the Shareholders*

Dear Sir/Madam,

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**  
**(2) PROPOSED ELECTION OF NEW DIRECTOR**  
**(3) CONNECTED TRANSACTION INVOLVING GRANT OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE**  
**(4) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**  
**AND**  
**(5) 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; and (iii) information in respect of certain resolutions to be proposed at the Annual General Meeting. These include ordinary resolutions relating to, among other things, (i) the proposed re-election of certain retiring Directors; (ii) the proposed election of a new Director; and (iii) the proposed granting 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. Ge Li, Dr. Zhisheng Chen and Mr. Wo Felix Fong shall retire by rotation as Directors at the Annual General Meeting pursuant to Article 16.18 of the Articles of Association. Save and except that Mr. Fong who has decided not to offer himself for re-election of Director at the Annual General Meeting, the remaining retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Mr. Fong has recently informed the Company that he will not stand for re-election at the Annual General Meeting as he wishes to devote more time to his other personal and business commitments. He has confirmed that there is no disagreement between him and the Board, and there are no matters relating to his retirement that need to be brought to the attention of the Shareholders or the Stock Exchange.

The biographies of the retiring Directors who seek for re-election at the Annual General Meeting, namely, Dr. Ge Li and Dr. Zhisheng Chen, are set out in Appendix II to this circular.

### 3. PROPOSED ELECTION OF NEW DIRECTOR

In relation to item 3 as set out in the notice of the Annual General Meeting, the Board recommends Mr. Kenneth Walton Hitchner III to be appointed as a new independent non-executive Director and a member of the Remuneration Committee and relevant resolution will be proposed at the Annual General Meeting pursuant to Article 16.3 of the Articles of Association. The Company has received a written confirmation from Mr. Hitchner confirming his independence as an independent non-executive Director in accordance with Rule 3.13 of the Listing Rules. The Company believes that Mr. Hitchner, with his extensive experience in the corporate finance and healthcare investment banking fields, will bring valuable business experience, knowledge and professionalism to the Board.



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## LETTER FROM THE BOARD

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The biography of Mr. Hitchner are set out in Appendix II to this circular. Subject to Mr. Hitchner elected as new Director at the Annual General Meeting, he will be the independent non-executive Director and member of the Remuneration Committee with effect from the conclusion of the Annual General Meeting.

To ensure that the Board has a balance of skills, knowledge, experience and diversity of 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 and new 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. The Nomination Committee is also satisfied with the independence of Mr. Hitchner having regard to the criteria under the applicable Listing Rules. Therefore, the Nomination Committee has recommended to the Board, and the Board has accepted such recommendation, on the re-election of Dr. Ge Li and Dr. Zhisheng Chen, who are due to retire at the Annual General Meeting, as Directors and the election of Mr. Hitchner as new Director at the Annual General Meeting.

#### **4. CONNECTED TRANSACTION INVOLVING GRANT OF RESTRICTED SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE**

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

On March 27, 2020, the Board has approved, subject to acceptance of the Grantees and other conditions, the grant of 2,297,402 Restricted Shares in aggregate to the Grantees, of which (i) 1,770,631 Restricted Shares are granted to 383 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 2019 General Mandate and in accordance with the terms of the Rules; and (ii) 526,771 Restricted Shares are proposed to be granted to the Connected Grantees and Mr. Fong (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.

As Mr. Fong will not stand for re-election of Director at the Annual General Meeting, the allotment and issuance of 4,560 Restricted Shares, which were proposed to be granted to Mr. Fong as his remuneration package on March 27, 2020, has been cancelled for the reason that he will cease to be an Eligible Participant upon his retirement at the Annual General Meeting in accordance with the terms of the Rules. Other than the above change, the proposed grant of the Connected Restricted Shares to the Connected Grantees, namely, Dr. Zhisheng Chen, Dr. Weichang

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## LETTER FROM THE BOARD

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Zhou, Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk, being the Directors, as disclosed in the RSU Grant Announcement shall remain unchanged and continue to be subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The new Restricted Shares so 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 including, but not limited to, the Connected Grantees shall remain as directors or employees of the Company until the end of their respective vesting periods. Based on the closing price of HK\$100.00 per Share as quoted on the Stock Exchange as at the date of the RSU Grant Announcement, the market value of 1,770,631 new Restricted Shares to be issued and allotted to the Non-connected Grantees is HK\$177,063,100, and the 522,211 new Restricted Shares to be issued and allotted to the Connected Grantees is HK\$52,221,100 (based on the closing price on March 27, 2020). Based on the closing price of HK\$118.80 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of 1,770,631 new Restricted Shares to be issued and allotted to the Non-connected Grantees, and the 522,211 new Restricted Shares to be issued and allotted to the Connected Grantees are HK\$210,350,962.80 and HK\$62,038,666.80, respectively. The aggregate nominal value of the new Restricted Shares is approximately US\$57.32. The average closing prices of the Shares for the five consecutive trading days immediately preceding the date of the RSU Grant Announcement as quoted on the Stock Exchange is approximately HK\$98.67 per Share.

As at the Latest Practicable Date, the Company had granted 16,576,846 Restricted Shares under the Scheme. The number of Shares available for further grant under the Scheme before and after the Grant (assuming all the Restricted Shares granted are fully vested) are 21,656,656 Shares and 19,363,814 Shares, respectively, representing approximately 1.66% and 1.49% of the total issued share capital of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **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 Connected Restricted Shares is an appropriate incentive method and in the interest of the Company and its Shareholders as a whole. Unlike giving a cash bonus, the grant 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 2,292,842 Restricted Shares, taking into account of 522,211 Connected Restricted Shares that may be issued, the shareholding interests of existing public Shareholders will be diluted from 43.00% to approximately 42.93% 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. Accordingly, the Directors consider that the grant 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 Trustee 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 grant. As such, no fund will be raised by the Company as a result of the issue and allotment of the new 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 522,211 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:

Name of Connected Grantee	Number of Connected Restricted Shares	Approximate market value of the Connected Restricted Shares as at the date of the announcement dated March 27, 2020 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
Dr. Zhisheng Chen	392,932	39,293,200.00	46,680,321.60	0.03%
Dr. Weichang Zhou	117,879	11,787,900.00	14,004,025.20	0.01%
Mr. Edward Hu	4,560	456,000.00	541,728.00	0.00%
Mr. William Robert Keller	2,280	228,000.00	270,864.00	0.00%
Mr. Teh-Ming Walter Kwauk	4,560	456,000.00	541,728.00	0.00%
<b>Total</b>	<b>522,211</b>	<b>52,221,100</b>	<b>62,038,666.80</b>	<b>0.04%</b>

*Notes:*

1. The market value of the Connected Restricted Shares is calculated based on the closing market price of HK\$100.00 per Share as at March 27, 2020.
2. The market value of the Connected Restricted Shares is calculated based on the closing market price of HK\$118.8 per Share as at May 6, 2020, being the Latest Practicable Date.

The aggregate of 522,211 new Connected Restricted Shares to be issued and allotted by the Company, represent (i) approximately 0.04% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 0.04% 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).

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## LETTER FROM THE BOARD

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The grant of the Connected Restricted Shares to the Connected Grantees has been approved by the Board on March 27, 2020, 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 Independent Shareholders' approval at the Annual General Meeting. The vesting period for the Connected Restricted Shares to be granted to Dr. Zhisheng Chen and Dr. Weichang Zhou is five years while the vesting period for the Connected Restricted Shares to be granted to Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk is one year. 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.

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## LETTER FROM THE BOARD

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The positions, roles, responsibilities and years of services of the Connected Grantees are set out as follows:

<b>Name of Connected Grantee</b>	<b>Position</b>	<b>Years of services</b>	<b>Responsibility</b>
Dr. Zhisheng Chen	Executive Director and chief executive officer of the Company	9	Responsible for overall management of the business of the Group
Dr. Weichang Zhou	Executive Director and chief technology officer of the Company	7	Responsible for overseeing the development and manufacturing of biologics
Mr. Edward Hu	Non-executive Director	10	Responsible for providing guidance on the business strategy, financial management and new business development of the Group
Mr. William Robert Keller	Independent non-executive Director	3	Responsible for supervising and providing independent opinion to the Board
Mr. Teh-Ming Walter Kwauk	Independent non-executive Director	3	Responsible for supervising and providing independent opinion to the Board

## LETTER FROM THE BOARD

The shareholding effects of the Grant as at the Latest Practicable Date and immediately after the issue, allotment and full vesting of the Restricted Shares (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:

Name of shareholder	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares (Note 5)	%	No. of Shares (Note 5)	%
WuXi Biologics Holdings Limited (Note 1)	412,080,600 (L)	31.67%	412,080,600 (L)	31.62%
JPMorgan Chase & Co. (Note 2)	102,300,043 (L)	7.86%	102,300,043 (L)	7.85%
	3,631,101 (S)	0.28%	3,631,101 (S)	0.28%
	37,093,054 (P)	2.85%	37,093,054 (P)	2.85%
Citigroup Inc. (Note 3)	71,186,977 (L)	5.47%	71,186,977 (L)	5.46%
	486,385 (S)	0.04%	486,385 (S)	0.04%
	66,839,498 (P)	5.14%	66,839,498 (P)	5.13%
<b>Sub-total</b>	<b>693,617,658</b>	<b>53.31%</b>	<b>693,617,658</b>	<b>53.22%</b>
<b>Connected Grantees</b>				
Dr. Zhisheng Chen (Note 4)	1,211,418 (L)	3.21%	1,211,418 (L)	3.23%
	39,544,000 share options (L)		39,544,000 share options (L)	
	986,500 restricted shares (L)		1,379,432 Restricted Shares (L)	
Dr. Weichang Zhou	5,363,000 share options (L)	0.42%	5,363,000 share options (L)	0.43%
	157,840 restricted shares (L)		275,719 Restricted Shares (L)	
Mr. Edward Hu	712,500 (L)	0.06%	712,500 (L)	0.06%
	5,655 restricted shares (L)		10,215 Restricted Shares (L)	
Mr. William Robert Keller	2,828 restricted shares (L)	0.00%	5,108 Restricted Shares (L)	0.00%
Mr. Teh-Ming Walter Kwauk	0	0.00%	4,560 Restricted Shares (L)	0.00%

## LETTER FROM THE BOARD

Name of shareholder	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares (Note 5)	%	No. of Shares (Note 5)	%
Non-connected Grantees	0	0.00%	1,770,631 restricted shares (L)	0.14%
<i>Sub-total</i>	47,983,741	3.69%	50,276,583	3.86%
Public shareholders	559,522,931	43.00%	559,522,931	42.93%
<b>Total</b>	<b>1,301,124,330</b>	<b>100.00%</b>	<b>1,303,417,172</b>	<b>100.00%</b>

*Notes:*

1. New WuXi Life Science Holdings Limited wholly owned New WuXi Life Science Limited, which wholly owned WuXi PharmaTech (Cayman) Inc., which in turn controlled 41.04% of the voting power at general meetings of WuXi Biologics Holdings Limited. WuXi Biologics Holdings Limited directly owned 412,080,600 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. The Shares held by JPMorgan Chase & Co. were held via different entities in the following capacities:

No. of Shares (Note 5)	Capacity
7,342,493 (L)	Interests of controlled corporations
3,631,101 (S)	
56,537,500 (L)	Investment manager
1,326,996 (L)	Person having a security interest in shares
37,093,054 (L)	Approved lending agent

3. The Shares held by Citigroup Inc. were held via different entities in the following capacities:

No. of Shares (Note 5)	Capacity
313 (L)	Person having a security interest in shares
4,347,166 (L)	Interests of controlled corporations
486,385 (S)	
66,839,498 (L)	Approved lending agent

4. The 1,211,418 Shares 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. 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.



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## LETTER FROM THE BOARD

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### 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 in both the PRC and other overseas countries.

### REASONS FOR THE GRANT OF CONNECTED RESTRICTED SHARES

The Scheme forms part of the incentive schemes of the Group. The Board considers that the grant of the Restricted Shares to the Connected Grantees is to (i) recognize and reward the contributions made by 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. The grant recognizes 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 grant of the Connected Restricted Shares to the Connected Grantees serves as an important incentive to motivate them to bring a higher return to the Company.

The Board is of the view that the grant of the Connected Restricted Shares is in line with the Company's remuneration policy, which includes base salary, discretionary bonus and other benefits such as the Scheme and share options. Such grant aligns 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 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.

#### *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 and promotion bonus which forms part of their remuneration package in recognition of their valuable and

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## LETTER FROM THE BOARD

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substantial contributions to the Company. 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 the Chief Executive Officer and executive director of the Company in January 2016 and February 2014, respectively. Under his management, the Group has experienced growth at an unprecedented speed. In addition, Dr. Chen assembled one of the world's largest biologics teams of the Company with over 5,000 employees that can take up 60 IND (Investigational New Drug) programs and 3 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. Chen also led the Company to become the first Chinese company producing biologics for clinical trials in the US and Europe, as well as the first biologics company in China to pass both the US FDA (Food and Drug Administration) and EMA (European Medicines Agency) inspection and have the first cGMP (Current Good Manufacturing Practice) biologics manufacturing facilities in China approved by both the US FDA and EMA for commercial biologics products. The leading globally platform providing end-to-end solutions for biologics developed by the Company is now serving more than 200 companies in China, the US, Europe, Japan, South Korea, and Singapore.

**Dr. Weichang Zhou** joined the Group in December 2012 and was appointed as an executive Director, Chief Technology Officer and executive vice president in May 2016, November 2016 and October 2019, respectively. Since his joining of the Group, he has focused on building a team of more than 2,500 scientists and engineers with diversified backgrounds providing integrated biologics development and CMC (Chemistry, Manufacturing and Controls) services to support more than 200 biologics programs. Dr. Zhou successfully led this large team of scientists and engineers to innovate breakthrough proprietary biologics technology platforms, especially the cell line development platform WuXia and continuous cell culture processing platform WuXiUP, which solidified the Group's global leader role in biologics development and manufacturing field and helped to generate substantial revenue and profits to the Group. With Dr. Zhou's extensive business network, the Company managed to recruit more talents and professional personnel both from the PRC and overseas, which greatly enhanced the technical level of its development and manufacturing team.

Both Dr. Chen and Dr. Zhou are the executive Directors who led the Company to achieve various remarkable milestones both before and after listing in 2017. In 2019, the Company's revenue grew significantly to RMB3,983,700,000, with a year-on-year 57.2% increase, including a 43.6% increase from the Chinese market, and the number of integrated projects reaching 250 compared to 205 in 2018, which depends very much on the contribution of the executive management team who oversee the daily management and operations of the Group. Further, the

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## LETTER FROM THE BOARD

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Company continued its grand capacity expansion plans across the world in 2019 to build and diversify manufacturing capacity in different countries including the US, 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. Chen and Dr. Zhou, each of Dr. Chen and Dr. Zhou is entitled to a base salary of RMB3,003,000 and RMB1,545,000 for the year of 2019, respectively, 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. It is not uncommon for biotech companies in the US, 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 US, 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.

### *Proposed Grant to Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk*

With respect to the grant of the Connected Restricted Shares to certain non-executive and independent non-executive Directors, namely, Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk, it serves as part of their remuneration package for the services provided by them as Directors to the Company. Pursuant to the service contracts entered into by the Company, each of Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk 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. Hu and Mr. Kwauk will be granted the Connected Restricted Shares representing the value equivalent to the full amount of the annual salary for the year of 2020; and Mr. Keller will be granted the Connected Restricted Shares representing the value equivalent to half of the amount of the annual salary for the year of 2020 with the remaining balance being settled in cash.

The number of Connected Restricted Shares to be granted to each of the above 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 27, 2020), as quoted on the Stock Exchange, being HK\$98.67 per Share.

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## LETTER FROM THE BOARD

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### 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 reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of the Connected Grantees and Mr. Fong (the proposed grant to whom has been cancelled as he will cease to be an Eligible Participant at the Annual General Meeting) has abstained from approving the relevant Board resolutions on the issue and allotment of the Connected Restricted Shares to them under the Scheme. Save as disclosed above, none of the other Directors had any interest in the Scheme and therefore, no other Director abstained from voting on the relevant resolutions of the Board in respect of the proposed issue and allotment of 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 the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder at the Annual General Meeting.

As the Connected Grantees and Mr. Fong are regarded as having material interests, at the time of the Grant, 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 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 21 to 43 of this circular.

### 5. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

The general mandate previously granted to the Directors to issue Shares at the annual general meeting of the Company held on June 5, 2019 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 20% 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 260,224,866 Shares as at the Latest Practicable Date on the basis that no

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## LETTER FROM THE BOARD

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further Shares are issued or repurchased before the Annual General Meeting). An ordinary resolution to extend the Share Issue Mandate by adding the number of Shares to be repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

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

### **6. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

The general mandate previously granted to the Directors to repurchase Shares at the annual general meeting of the Company held on June 5, 2019 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 7 of the notice of the Annual General Meeting (i.e. not exceeding a total of 130,112,433 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.

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 III to this circular.

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

The notice of the Annual General Meeting is set out on pages 61 to 66 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.

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## LETTER FROM THE BOARD

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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 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 2:00 p.m. on Sunday, June 7, 2020, 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.

### 8. RECOMMENDATION

The Directors consider that the proposed issue and allotment of Connected Restricted Shares to the Connected Grantees pursuant to the Specific Mandate, the re-election of certain retiring Directors, the election of new Director and granting of the Share Issue Mandate and the Share Repurchase Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour 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 issue and allotment of 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 11, 2020

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

Dear Sir or Madam,

### **CONNECTED TRANSACTION INVOLVING GRANT 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 issue and allotment of Connected Restricted Shares to the Connected Grantees (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 11, 2020 (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 27, 2020, the Board approved, subject to acceptance of the Grantees and other conditions as may be determined by the Board, the grant of 2,297,402 Restricted Shares in aggregate to the Grantees, of which (i) 1,770,631 Restricted Shares are granted to 383 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 2019 General Mandate and in accordance with the terms of the Rules; and (ii) 526,771 Restricted Shares are proposed to be granted to the Connected Grantees and Mr. Fong (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.

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## LETTER FROM OPUS CAPITAL

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

As Mr. Fong will not stand for re-election of Director at the Annual General Meeting, the allotment and issuance of 4,560 Restricted Shares, which were proposed to be granted to Mr. Fong as part of his remuneration package on March 27, 2020, has been cancelled for the reason that he will cease to be an Eligible Participant upon his retirement at the Annual General Meeting in accordance with the terms of the Rules. As such, the number of Connected Restricted Shares has been reduced from 526,771 to 522,211.

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 the Connected Grantees and Mr. Fong (the proposed grant to whom has been cancelled as he will cease to be an Eligible Participant at the Annual General Meeting) has abstained from approving the relevant Board resolutions on the issue and allotment of the Connected Restricted Shares to them under the Scheme. Save as disclosed above, none of the other Directors had any interest in the Scheme and therefore, no other Director abstained from voting on the relevant resolutions of the Board 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, the issue and allotment of Connected Restricted Shares to the Connected Grantees, the Specific Mandate and the transactions contemplated thereunder at the Annual General Meeting.

### **THE APPOINTMENT**

As the Connected Grantees and Mr. Fong are regarded as having material interests, at the time of the Grant, 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.

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, fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) the Connected Restricted Shares



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## LETTER FROM OPUS CAPITAL

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Grant, the Specific Mandate and the transactions contemplated thereunder is conducted in the ordinary and usual course of business of the Group; 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

As at the Latest Practicable Date, we do 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. Apart from normal independent financial advisory fees payable to us in connection with this appointment, 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, amongst other things:

- (i) the Company's annual report for the year ended December 31 ("FY"), 2019 (the "**2019 Annual Report**");
- (ii) the Scheme;
- (iii) the RSU Grant Announcement; and
- (iv) 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. 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

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## LETTER FROM OPUS CAPITAL

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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.

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.

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## LETTER FROM OPUS CAPITAL

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Set out below is a summary of the key audited consolidated financial information of the Group for the five years ended December 31, 2019 as extracted from the 2019 Annual Report:

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

	<b>FY2019</b> (RMB'M)	<b>FY2018</b> (RMB'M)	<b>FY2017</b> (RMB'M)	<b>FY2016</b> (RMB'M)	<b>FY2015</b> (RMB'M)
Revenue	3,983.7	2,534.5	1,618.8	989.0	557.0
Gross profit	1,658.8	1,017.8	660.6	389.1	180.7
Net profit	1,010.3	630.5	252.6	141.1	44.5

*Source: the 2019 Annual Report*

As depicted from the above table, the Group's revenue, gross profit and net profit have been growing significantly from FY2015 to FY2019. The Group's revenue, gross profit and net profit for FY2019 were approximately 7 times, 9 times and 23 times respectively of those for FY2015. The growth rates of the Group's revenue, gross profit and profit for FY2019 as compared to FY2018 (i.e. approximately 57.2%, 63.0% and 60.2% respectively) are also significant.

According to the 2019 Annual Report, during FY2019, the total revenue of the Group increased by approximately 57.2% from approximately RMB2,534.5 million for FY2018 to approximately RMB3,983.7 million, together with an approximately 63.0% year-on-year growth in gross profit to RMB1,658.8 million. Such an increase was mainly attributable to: (i) leading technology platform, best-in-industry timeline and excellent execution track record contributing to higher market share and new integrated projects added to the Group's pipeline; (ii) the Group's innovative proprietary technology platforms, including but not limited to the bispecific antibody technology platform WuXiBody™, have been steadily adopted in the industry; and (iii) strong growth in revenue, including milestone revenue generated from the WuXiBody™ platform, as well as milestone revenue generated from projects progressed along the value chain, as a result of the success of the Group's "Follow-the-Molecule" strategy. The Group's total backlog, including the service backlog and upcoming potential milestone fees, also soared sharply by approximately 40.2% from US\$3,639.0 million as of December 31, 2018 to US\$5,102.0 million as of December 31, 2019, of which service backlog increased from US\$1,633.0 million to US\$1,686.0 million and upcoming potential milestone fees increased by approximately 70.3% from US\$2,006.0 million to US\$3,416.0 million. The service backlog represents the amount the Group has contracted but is yet to perform, which can be seen as a future performance indicator.

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## LETTER FROM OPUS CAPITAL

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The increase in the gross profit margin from approximately 40.2% for FY2018 to approximately 41.6% for FY2019 was primarily attributable to: (i) the Group's strong business growth, along with the rapid increase in the number of integrated projects; (ii) significant improvement on capacity utilization of the Group's Manufacturing Facility 3, which commenced production in the second half of FY2018; (iii) more milestone revenue with relatively high gross margin earned during FY2019; (iv) favorable impact from US\$ appreciated against RMB for FY2019; and (v) significant improvement of operational efficiency, which was partially offset by the ramp-up of new sites that commenced production in the second half of FY2019.

As a result of the foregoing, the net profit of the Group increased by approximately 60.2% from approximately RMB630.5 million for FY2018 to approximately RMB1,010.3 million for FY2019. As set out in the 2019 Annual Report, during FY2019, the Group further diversified its customer base by working with 13 out of the 20 largest pharmaceutical companies in the world and 26 of the 50 largest pharmaceutical companies in China. The Group provided services to 266 customers for FY2019, compared with 220 customers in the previous year. The average revenue per customer among the top ten customers grew by approximately 65.6% from approximately RMB119.3 million for FY2018 to approximately RMB197.6 million for FY2019 as a result of more projects progressing into later stages and additional customer projects.

### **2. Information on the Connected Grantees**

The grant of the Connected Restricted Shares to the Connected Grantees has been approved by the Board on March 27, 2020, 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 Independent Shareholders' approval at the Annual General Meeting. The vesting period for the Connected Restricted Shares to be granted to Dr. Zhisheng Chen and Dr. Weichang Zhou is five years while the vesting period for the Connected Restricted Shares to be granted to Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk is one year. 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 table below lists the details of the five Connected Grantees and the number of Restricted Shares granted to each to them.

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**LETTER FROM OPUS CAPITAL**

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**Table 2: The Connected Grantees and the number of Connected Restricted Shares granted**

Name	Position	Number of Connected Restricted Shares granted	Vesting period (years)
Dr. Zhisheng Chen	Executive Director & chief executive officer of the Company	392,932	5
Dr. Weichang Zhou	Executive Director & chief technology officer of the Company	117,879	5
Mr. Edward Hu	Non-executive Director	4,560	1
Mr. William Robert Keller	Independent non-executive Director	2,280	1
Mr. Teh-Ming Walter Kwauk	Independent non-executive Director	4,560	1

Further details of the positions, roles, responsibilities and years of services of the Connected Grantees are set out in the section headed “4. Connected transaction involving grant of Restricted Shares to connected persons pursuant to Specific Mandate” in the Letter from the Board. The executive Directors, namely Dr. Zhisheng Chen and Dr. Weichang Zhou and non-executive Director Mr. Edward Hu, have been indispensable to the 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 as evidenced through the historical financial performance of the Group set out in the section headed “1. Information of the Group” above. For the details of the professional expertise, experience, business network and contributions to the Group of each of Dr. Zhisheng Chen and Dr. Weichang Zhou, please refer to the section headed “4. Connected transaction involving grant of Restricted Shares to connected persons pursuant to Specific Mandate” in the Letter from the Board.

Since the two independent non-executive Directors, namely Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk, joined the Group in 2017, the Group has continued to maintain its strong growth momentum.

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## LETTER FROM OPUS CAPITAL

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

With reference to the Letter from the Board, the Scheme forms part of the incentive schemes of the Group. The Board considers that the grant of the Restricted Shares to the Connected Grantees is 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. 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 and promotion bonus in recognition of their valuable and substantial contributions to the Group; and the grant to the non-executive Director and the independent non-executive Directors, namely Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk, serves as part of the remuneration package for the services provided by them to the Group. The grant recognizes the Connected Grantees' 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 them 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 grant of the Connected Restricted Shares is in line with the Company's remuneration policy, which includes base salary, discretionary bonus and other benefits such as the Scheme and share options. Such grant aligns 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. Against this background, we note this is not the first time the Company conducted the grant of Restricted Shares to its connected grantees. On March 19, 2019, the Company granted 1,158,478 Restricted Shares to its then connected grantees, the composition of which was largely similar to this year's Connected Grantees, with a value estimated to be HK\$96,559,141.3. The Connected Restricted Shares Grant of this year is mainly of a recurrent nature.

Under the Grant, there will not be any actual cash outflow by the Group 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 Connected Restricted Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM OPUS CAPITAL

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We are of the view that the Connected Restricted Shares Grant will provide the Connected Grantees, being members of the Board, which is responsible for the overall corporate governance and strategic directions of the Group, with a reward for their past contributions and to incentivize their future contributions.

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 Grant provides the Grantees with certainty of monetary benefits regardless of the share price performance. Such Grant that can be realized and is readily available at the end of the vesting period is akin to payment of a deferred bonus and hence an effective incentive. Furthermore, the Grant do not call for the Grantees to exercise the share options which would require financial outlay from the Grantees.

Upon our enquiry, the Company 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 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 is in line with the remuneration policy of the Group.

Taking into account that: (i) the purposes and characteristics of the Scheme as mentioned above; (ii) our assessment of the terms of the Connected Restricted Shares to the Connected Grantees 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; and (iv) there will not be any actual cash outflow by the Group under the 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

On March 27, 2020, the Board approved, subject to acceptance of the Grantees, the grant of an aggregate of 2,292,842 Restricted Shares to the Grantees, of which (i) 1,770,631 Restricted Shares are granted to 383 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 2019 General Mandate and in accordance with the terms of the Rules; and (ii) 522,211 Restricted Shares are proposed to be granted to five 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. Principal terms and conditions of the Connected Restricted Shares Grant are set out below:

Market price of the Shares:	The closing price of the Shares on the date of the RSU Grant Announcement (the “ <b>Grant Date</b> ”) as quoted on the Stock Exchange is HK\$100.00 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\$98.67 per Share.
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 Restricted Shares, the Trustee will hold the new Shares on trust for the Grantees.
Vesting conditions:	The Connected Restricted Shares shall be transferred to the Connected Grantees at no 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 Connected Restricted Shares Grant including, but not limited to, the Connected Grantees shall remain as directors or employees of the Company until the end of their respective vesting periods.



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### 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 522,211 new Connected Restricted Shares.

The 522,211 Connected Restricted Shares represent (i) approximately 0.04% of the total issue Shares as at the Latest Practicable Date; and (ii) approximately 0.04% 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 aggregate nominal value of the new Restricted Shares is approximately US\$57.32. The closing price of the Shares on the Grant Date is HK\$100.00 per Share. The average closing prices of the Shares for the five consecutive trading days immediately preceding the Grant Date as quoted on the Stock Exchange is approximately HK\$98.67 per Share.

Based on the closing price of HK\$100.00 per Share as quoted on the Stock Exchange as at the Grant Date, the market value of 1,770,631 new Restricted Shares to be issued and allotted to the Non-connected Grantees is HK\$177,063,100, and the 522,211 new Restricted Shares to be issued and allotted to the Connected Grantees is HK\$52,221,100 (based on the closing price on March 27, 2020). Based on the closing price of HK\$118.80 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of 1,770,631 new Restricted Shares to be issued and allotted to the Non-connected Grantees, and the 522,211 new Restricted Shares to be issued and allotted to the Connected Grantees are HK\$210,350,962.80 and HK\$62,038,666.80, respectively.

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As at the Latest Practicable Date, the Company had granted 16,576,846 Restricted Shares under the Scheme. Assuming all the Restricted Shares granted by the Company are fully vested, the number of Shares available for further grant under the Scheme before and after the Grant are 21,656,656 Shares and 19,363,814 Shares, respectively, representing approximately 1.66% and 1.49% of the total issued share capital of the Company as at the Latest Practicable Date.

Having considered the roles of Dr. Zhisheng Chen and Dr. Weichang Zhou in the Group, we consider that the five years' vesting period can appropriately retain and incentivize them to contribute to the long-term development of the Group. Having considered that the number of Connected Restricted Shares to be granted to Mr. Edward Hu, Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk is relatively small and such grant is relating to their annual salary for FY2020, we consider that a vesting period of one year is appropriate. In addition, as the vesting periods of the Comparable Grants (as defined below) ranged from one to five years, the vesting periods of the Connected Restricted Shares Grant are in line with the market practices.

### **Our assessment**

To assess the fairness and reasonableness of the terms of the Connected Restricted Shares (including, but not limited to, the relevant remuneration package, vesting periods and vesting conditions), we have, on a best effort basis, conducted a research on all grants of award shares/restricted shares to connected persons by the companies listed on the Main Board of the Stock Exchange which belong to the "Biotechnology & Pharmaceuticals" sector of the Bloomberg Industry Classification System and the Company itself announced from their respective dates of listing on the Main Board of the Stock Exchange up to and including the Latest Practicable Date (the "**Comparable Grants**"). Based on the above selection criteria, we have identified five Comparable Grants as set out below.

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**Table 3: The Comparable Grants**

Date of announcement	Company name (Stock code)	Grant date	Value of total connected grant shares as at grant date (HK\$'M)	Market capitalization as at grant date (HK\$'M)	Vesting period (years)	Latest full year profit attributable to shareholders before the grant date (HK\$'M) <sup>(Note 1)</sup>	Value of total connected grant shares over market capitalization (HK\$'M)	Value of total connected grant shares over profit attributable to shareholders (%)
March 19, 2019	The Company (2269)	March 19, 2019	96.6	102,252.6	1-5	718.0	0.09%	13.45%
May 2, 2019	Innovent Biologics, Inc. (1801)	May 2, 2019	173.6	29,013.1	5	N/A <sup>(Note 2)</sup>	0.60%	N/A <sup>(Note 2)</sup>
July 2, 2019	3SBio Inc. (1530)	June 20, 2019	408.3	34,881.5	Not disclosed	1,454.3	1.17%	28.08%
January 31, 2020	CStone Pharmaceuticals (2616)	March 25, 2019	159.3	15,489.0	4	N/A <sup>(Note 2)</sup>	1.03%	N/A <sup>(Note 2)</sup>
April 15, 2020	Innovent Biologics, Inc. (1801)	April 15, 2020	60.5	45,575.9	0.7-4	N/A <sup>(Note 2)</sup>	0.13%	N/A <sup>(Note 2)</sup>
				<b>Maximum</b>	<b>5</b>		<b>1.17%</b>	<b>28.08%</b>
				<b>Minimum</b>	<b>0.7</b>		<b>0.09%</b>	<b>13.45%</b>
				<b>Average</b>			<b>0.60%</b>	<b>20.76%</b>
				<b>Median</b>			<b>0.60%</b>	<b>20.76%</b>
March 27, 2020	The Company (2269)	March 27, 2020	52.2	129,760.2	1-5 <sup>(Note 3)</sup>	1,134.3	0.04%	4.60%

Source: the website of the Stock Exchange and Bloomberg

Notes:

- For comparison purpose, the latest full year profit attributable to shareholders before the grant date has been restated from RMB to HK\$ based on an exchange of RMB1.00=HK\$1.1386 as at December 31, 2018 and RMB1.00=HK\$1.1189 as at December 31, 2019 as quoted from Bloomberg.
- Not applicable, as the relevant companies had recorded loss during their respective latest financial year.
- Vesting periods for the Connected Grantees range from 1 to 5 years. For details, please refer to Table 2 above.

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We noted from the table above that it is not uncommon for the companies listed on the Main Board of the Stock Exchange which belong to the “Biotechnology & Pharmaceuticals” sector of the Bloomberg Industry Classification System to adopt restricted share award schemes and grant restricted award shares to their key personnel and employees. Accordingly, we consider that the grant of Connected Restricted Shares under the Scheme to be generally in line with the market practices and in the ordinary and usual course of business of the Group.

As illustrated in the table above, the value of total grant shares to connected persons over market capitalization of the Comparable Grants ranged from approximately 0.09% to approximately 1.17% with an average of approximately 0.60%. We note that the value of total Connected Restricted Shares represents 0.04% of the Company’s market capitalization as at the grant date, which is well below both the average and the lower bound of the Comparable Grants of approximately 0.60% and 0.09% respectively.

As illustrated in the table above, the value of total grant shares to connected persons over latest full year profit attributable to shareholders before the grant date of the Comparable Grants ranged from approximately 13.45% to approximately 28.08% with an average of approximately 20.76%. We note that the value of total Connected Restricted Shares represents 4.60% of the Company’s latest full year profit attributable to shareholders before the grant date, which is well below both the average and the lower bound of the Comparable Grants of approximately 20.76% and 13.45% respectively.

As illustrated in the table above, the vesting periods of the Comparable Grants ranged from approximately 0.7 to 5 years. Under the Connected Restricted Shares Grant, the relevant Connected Restricted Shares shall be transferred to the Connected Grantees until the end of each vesting period (ranging from one to five years), subject to the satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the Connected Restricted Shares Grant including, but not limited to, the Connected Grantees shall remain as directors or employees of the Company until the end of their respective vesting periods. Accordingly, the vesting periods of the Connected Restricted Shares fall within the range of the Comparable Grants. Based on our review of the Comparable Grants and the Connected Restricted Shares Grant, we understand neither the Comparable Grants nor the Connected Restricted Shares Grant carry any performance-related vesting conditions as at the Latest Practicable Date. Based on the above, we consider that the vesting periods and conditions to be generally in line with the market practices.

As part of our due diligence, we have obtained and reviewed the Rules from the Company and noted that the terms of the Connected Restricted Shares Grant complied with the Rules, in particular the scheme limit. The total number of 522,211 Connected Restricted Shares proposed to

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be granted to the Connected Grantees, together with other Restricted Shares granted under the Scheme is within the scheme limit of 3% (i.e. 34,953,032 Shares) of the issued share capital of the Company as at the adoption dates of the Scheme (i.e. January 15, 2018).

### 5. Connected Grantees' current remuneration

Set out below is a breakdown of the remuneration packages of the Connected Grantees for FY2019 provided by the Company:

**Table 4: The remuneration packages of the Connected Grantees for FY2019**

Name	Salaries, contributions, and other benefits (RMB'000)	Performance-based or discretionary bonus (RMB'000)	Share-based payment expenses (RMB'000)	Total Director's remuneration (RMB'000)
Dr. Zhisheng Chen	3,002.8	1,620.0	20,572.9	<b>25,195.7</b>
Dr. Weichang Zhou	1,600.8	800.0	3,222.3	<b>5,623.1</b>
Mr. Edward Hu	—	—	187.3	<b>187.3</b>
Mr. William Robert Keller	297.1	—	93.7	<b>390.8</b>
Mr. Teh-Ming Walter Kwauk	396.1	—	—	<b>396.1</b>

Source: the Company

### 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 “**18A Comparable Companies**”) with the following selection criteria:

- (i) biotech companies listed on the Main Board of the Stock Exchange in accordance with Chapter 18A of the Listing Rules before the Grant Date; and
- (ii) have market capitalization over RMB10 billion as at the Grant Date.

Based on the above selection criteria, we have identified five 18A Comparable Companies. We further conducted a search on the remuneration packages of chief executive officers (“**CEOs**”), executive directors (“**EDs**”), non-executive directors (“**NEDs**”) and independent non-executive directors (“**INEDs**”) of the 18A Comparable Companies in the last financial year.

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**CEOs and EDs’ remuneration package comparison**

Set out below is a summary of remuneration packages of the CEOs and EDs of the 18A Comparable Companies:

**Table 5: CEOs and EDs’ remuneration packages of the 18A Comparable Companies**

Name of CEOs or EDs	Company name (stock code)	Salaries, contributions, and other benefits <i>(RMB’M)</i>	Performance- based or discretionary bonus <i>(RMB’M)</i>	Share-based payment expenses <i>(RMB’M)</i>	Total <i>(RMB’M)</i>
Dr. De-Chao Michael Yu (chief executive officer)	Innovent Biologics, Inc. (1801)	2.8	87.3	17.0	107.1
Mr. John V. Oyler (chief executive officer) <sup>(Note)</sup>	Beigene, Ltd (6160)	4.9	3.9	53.7	62.4
Dr. Jisong Cui (chief executive officer)	Innocare Pharma Ltd. (9969)	2.4	—	23.2	25.6
Dr. XU Ting (chief executive officer)	Alphamab Oncology (9966)	1.7	1.3	—	3.0
Dr. Xuefeng Yu (chief executive officer)	Cansino Biologics Inc. (6185)	0.9	0.5	—	1.4
<b>Max (all CEOs)</b>					<b>107.1</b>
<b>Min (all CEOs)</b>					<b>1.4</b>
<b>Average (all CEOs)</b>					<b>39.9</b>

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Name of CEOs or EDs	Company name (stock code)	Salaries, contributions, and other benefits (RMB'M)	Performance- based or discretionary bonus (RMB'M)	Share-based payment expenses (RMB'M)	Total (RMB'M)
Dr. Renbin Zhao	Innocare Pharma Ltd. (9969)	1.1	—	34.8	35.8
Mr. Ronald Hao Xi Ede	Innovent Biologics, Inc. (1801)	1.4	3.5	—	4.9
Dr. Tao ZHU	Cansino Biologics Inc. (6185)	1.0	0.5	0.9	2.4
Dr. Shou Bai Chao	Cansino Biologics Inc. (6185)	0.5	0.3	—	0.8
Dr. Dongxu QIU	Cansino Biologics Inc. (6185)	0.5	0.3	—	0.8
Ms. LIU Yang	Alphamab Oncology (9966)	0.3	0.2	—	0.5
<b>Max (all EDs)</b>					<b>107.1</b>
<b>Min (all EDs)</b>					<b>0.5</b>
<b>Average (all EDs)</b>					<b>22.3</b>
Dr. Zhisheng Chen	The Company	3.0	1.6	28.5 <sup>(Note 2)</sup>	32.4
Dr. Weichang Zhou	The Company	1.6	0.8	5.4 <sup>(Note 3)</sup>	7.8

Sources: the Stock Exchange and the Company

Notes:

- For comparison purpose, Mr. John V. Oyler's remuneration has been restated from US\$ to RMB based on an exchange of US\$1.00=RMB6.8785 as at December 31, 2018 as quoted from Bloomberg.

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2. Dr. Zhisheng Chen's share-based payment expenses of approximately RMB28.5 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 FY2019 of approximately RMB20.6 million; and (ii) the market value of the Connected Restricted Shares to be vested of approximately RMB7.9 million assuming the Connected Restricted Shares will be vested by one-fifth to Dr. Zhisheng Chen without any apportionment during FY2020.
3. Dr. Weichang Zhou's share-based payment expenses of approximately RMB5.4 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 FY2019 of approximately RMB3.2 million; and (ii) the market value of the Connected Restricted Shares to be vested of approximately RMB2.2 million assuming the Connected Restricted Shares will be vested by one-fifth to Dr. Weichang Zhou without any apportionment during FY2020.

As shown in the table above, the total remuneration packages of the CEOs of the 18A Comparable Companies ranged from approximately RMB1.4 million to approximately RMB107.1 million, with an average of approximately RMB39.9 million. Assuming the issue and allotment of the Connected Restricted Shares 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) in a year, the total remuneration package to be received by Dr. Zhisheng Chen 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\$100.00 per Share) of the Connected Restricted Shares of approximately HK\$7.9 million (equivalent to RMB7.2 million based on an exchange rate of RMB1=HK\$1.1) to approximately RMB32.4 million. Accordingly, the total remuneration package of Dr. Zhisheng Chen is within the range of the total remuneration packages of the CEOs of the 18A Comparable Companies and is below the average of the total remuneration package of the CEOs of the 18A Comparable Companies.

On the other hand, the total remuneration packages of all EDs (including those who are also the CEOs) of the 18A Comparable Companies ranged from approximately RMB0.5 million to approximately RMB107.1 million with an average of approximately RMB22.3 million. Assuming the issue and allotment of the Connected Restricted Shares to Dr. Weichang Zhou vested by one-fifth (as the relevant vesting period is five years) in a year, the total remuneration package to be received by Dr. Weichang Zhou 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\$100.00 per Share) of the Connected Restricted Shares of approximately HK\$2.4 million (equivalent to RMB2.2 million based on an exchange rate of RMB1=HK\$1.1) to approximately RMB7.8 million. Accordingly, the total remuneration package of Dr. Weichang Zhou is within the range of the total remuneration packages of the EDs of the 18A Comparable Companies and is significantly below the average of the total remuneration packages of the EDs of the 18A Comparable Companies.



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We noted, as at the Grant Date, the market capitalization of the 18A Comparable Companies ranged from approximately HK\$13.7 billion to approximately HK\$77.4 billion with an average of approximately HK\$34.6 billion. The market capitalization of the Company as at the Grant Date was approximately HK\$129.8 billion, which was significantly higher than the maximum market capitalization of the 18A Comparable Companies. We also reviewed the financial performance of both the 18A Comparable Companies and the Company and noted, all of the 18A Comparable Companies recorded net losses during their respective latest financial year. The Company, on the other hand, as discussed in the section headed “1. Information of the Group” above, grew its net profit to approximately RMB1,010.3 million for FY2019, representing a significant increase of approximately 60.2% against FY2018.

Based on the above respective favourable comparison of the aforementioned total remuneration packages of Dr. Zhisheng Chen and Dr. Weichang Zhou against those of the 18A Comparable Companies, given the Company’s significant market capitalization and profitable operating performance relative to the 18A Comparable Companies, the aforementioned total remuneration packages of Dr. Zhisheng Chen and Dr. Weichang Zhou appear to be modest compared to those of the 18A Comparable Companies.

### **NEDs’ and INEDs’ remuneration package comparison**

As discussed with the Management, we understand the remuneration packages of the non-executive Director and the independent non-executive Directors, with the only exception of Mr. William Robert Keller who receives half of his remuneration package through the Connected Restricted Shares while the other half through salary, will be made up entirely by the Connected Restricted Shares Grant with the Connected Restricted Shares to be vested in a single year.

Based on our research of total remuneration packages of the NEDs of the 18A Comparable Companies, the remuneration packages (excluding those who received nil directorship fees) of 12 NEDs of the 18A Comparable Companies ranged from RMB0.1 million to approximately RMB25.1 million with an average of approximately RMB12.6 million. Assuming the issue and allotment of the Connected Restricted Shares to Mr. Edward Hu are vested in full in a year, the remuneration package to be received by Mr. Edward Hu as represented by the market value (based on the closing price of the Shares quoted on the Stock Exchange as at the Grant Date of HK\$100.00 per Share) of the Connected Restricted Shares is approximately HK\$456,000, which is within the range of and is below the average remuneration package of the NEDs of the 18A Comparable Companies.

Based on our research of total remuneration packages of the INEDs of the 18A Comparable Companies, the remuneration packages (excluding those who received nil directorship fees) of 20 INEDs of the 18A Comparable Companies ranged from approximately RMB0.1 million to

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approximately RMB2.6 million, with an average of approximately RMB1.2 million. Assuming the issue and allotment of the Connected Restricted Shares to Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk are vested in full in a year, the remuneration packages to be received by Mr. William Robert Keller and Mr. Teh-Ming Walter Kwauk as represented by the market value (based on the closing price of the Shares quoted on the Stock Exchange as at the Grant Date of HK\$100.00 per Share) of the Connected Restricted Shares are approximately HK\$228,000 and HK\$456,000 respectively, which are within the range of and are below the average remuneration package of the INEDs of the 18A 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 NEDs and INEDs of the top 300 Hong Kong listed companies in 2018 were approximately HK\$470,000. The market value (based on the closing price of the Shares quoted on the Stock Exchange as at the Grant Date of HK\$100.00 per Share) of the Connected Restricted Shares for each of the non-executive Directors and independent non-executive Directors is less than the aforesaid average directorship fee.

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

As set out in the 2019 Annual Report, for Shares granted under the Scheme, 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 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 Grant (including the Connected Restricted Shares Grant)**

The table below sets out the shareholding in the Company (a) as at the Latest Practicable Date; and (b) immediately after the issue, allotment and full vesting of the Restricted Shares (assuming no other change in the issued share capital of the Company other than the issue, allotment and full vesting of the Restricted Shares):

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**Table 6: Shareholding table of the Company with respect to the Grant (including the Connected Restricted Shares Grant)**

Name of shareholder	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Connected Restricted Shares and Restricted Shares to the Non-connected Grantees (assuming no other change in the issued share capital of the Company)	
	No. of Shares (Note 5)	%	No. of Shares (Note 5)	%
WuXi Biologics Holdings Limited (Note 1)	412,080,600(L)	31.67%	412,080,600 (L)	31.62%
JPMorgan Chase & Co. (Note 2)	102,300,043 (L)	7.86%	102,300,043 (L)	7.85%
	3,631,101 (S)	0.28%	3,631,101 (S)	0.28%
	37,093,054 (P)	2.85%	37,093,054 (P)	2.85%
Citigroup Inc. (Note 3)	71,186,977 (L)	5.47%	71,186,977 (L)	5.46%
	486,385 (S)	0.04%	486,385 (S)	0.04%
	66,839,498 (P)	5.14%	66,839,498 (P)	5.13%
<b>Sub-total</b>	<b>693,617,658</b>	<b>53.31%</b>	<b>693,617,658</b>	<b>53.22%</b>
<b>Connected Grantees</b>				
Dr. Zhisheng Chen (Note 4)	1,211,418 (L)	3.21%	1,211,418 (L)	3.23%
	39,544,000		39,544,000	
	share options (L)		share options (L)	
	986,500		1,379,432	
	restricted shares (L)		Restricted Shares (L)	
Dr. Weichang Zhou	5,363,000	0.42%	5,363,000	0.43%
	share options (L)		share options (L)	
	157,840		275,719	
	restricted shares (L)		Restricted Shares (L)	
Mr. Edward Hu	712,500 (L)	0.06%	712,500 (L)	0.06%
	5,655		10,215	
	restricted shares (L)		Restricted Shares (L)	
Mr. William Robert Keller	2,828	0.00%	5,108	0.00%
	restricted shares (L)		Restricted Shares (L)	
Mr. Teh-Ming Walter Kwauk	0	0.00%	4,560	0.00%
			Restricted Shares (L)	
<b>Non-connected Grantees</b>	<b>0</b>	<b>0.00%</b>	<b>1,770,631</b>	<b>0.14%</b>
			restricted shares (L)	
<b>Sub-total</b>	<b>47,983,741</b>	<b>3.69%</b>	<b>50,276,583</b>	<b>3.86%</b>
<b>Public shareholders</b>	<b>559,522,931</b>	<b>43.00%</b>	<b>559,522,931</b>	<b>42.93%</b>
<b>Total</b>	<b>1,301,124,330</b>	<b>100.00%</b>	<b>1,303,417,172</b>	<b>100.00%</b>

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*Notes:*

1. New WuXi Life Science Holdings Limited wholly owned New WuXi Life Science Limited, which wholly owned WuXi PharmaTech (Cayman) Inc., which in turn controlled 41.04% of the voting power at general meetings of WuXi Biologics Holdings Limited. WuXi Biologics Holdings Limited directly owned 412,080,600 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. The Shares held by JPMorgan Chase & Co. were held via different entities in the following capacities:

<b>No. of Shares</b> ( <i>Note 5</i> )	<b>Capacity</b>
7,342,493 (L)	Interests of controlled corporations
3,631,101 (S)	
56,537,500 (L)	Investment manager
1,326,996 (L)	Person having a security interest in shares
37,093,054 (L)	Approved lending agent

3. The Shares held by Citigroup Inc. were held via different entities in the following capacities:

<b>No. of Shares</b> ( <i>Note 5</i> )	<b>Capacity</b>
313 (L)	Person having a security interest in shares
4,347,166 (L)	Interests of controlled corporations
486,385 (S)	
66,839,498 (L)	Approved lending agent

4. The 1,211,418 Shares 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. 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 shown in the table above, as a result of the issue and allotment of the aggregate of 2,292,842 Restricted Shares, taking into account of 522,211 Connected Restricted Shares that may be issued, the shareholding interests of existing public Shareholders will be diluted from 43.00% to approximately 42.93% 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 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**  
*Director*

*Mr. Cheung On Kit Andrew is a 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 12 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.*

## 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:

Name of Director	Capacity/Nature of Interests	Number of Shares/underlying Shares held (Note 1)	Approximate percentage of shareholding interest (Note 2)
Dr. Ge Li	Interests of controlled corporations (Note 3)	412,080,600 (L)	31.67%
Dr. Zhisheng Chen	Founder of a discretionary trust (Note 4)	1,211,418 (L)	3.21%
	Beneficial owner (Note 5)	39,544,000 share options (L)	
	Beneficial owner (Note 6)	986,500 restricted shares (L)	

Name of Director	Capacity/Nature of Interests	Number of Shares/underlying Shares held <i>(Note 1)</i>	Approximate percentage of shareholding interest <i>(Note 2)</i>
Dr. Weichang Zhou	Beneficial owner <i>(Note 5)</i>	5,363,000 share options (L)	0.42%
	Beneficial owner <i>(Note 6)</i>	157,840 restricted shares (L)	
Mr. Edward Hu	Beneficial owner	712,500 (L)	0.06%
	Beneficial owner <i>(Note 6)</i>	5,655 restricted shares (L)	
Mr. William Robert Keller	Beneficial owner <i>(Note 6)</i>	2,828 restricted shares (L)	0.00%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares or underlying Shares.
2. As at the Latest Practicable Date, total number of Shares in issue in 1,301,124,330 Shares.
3. Dr. Ge Li controlled, directly and indirectly, the exercise of 58.96% of the voting power at the general meeting of WuXi Biologics Holdings Limited. Hence, Dr. Ge Li is deemed to be interested in 412,080,600 Shares held by WuXi Biologics Holdings Limited.
4. The 1,211,418 Shares 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 Restricted Share Award Scheme of the Company.

**Long and short positions in shares and underlying shares of the associated corporations of the Company:**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/Nature of Interests</b>	<b>Number of Shares/underlying Shares held</b> <i>(Note 1)</i>	<b>Approximate percentage of shareholding interest</b>
Dr. Ge Li	WuXi Biologics Holdings Limited	Interests of controlled corporations <i>(Note 2)</i>	188,753 Class A ordinary shares (L)	22.32%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares or underlying Shares.
2. Dr. Ge Li controlled, directly and indirectly, 22.32% of the issued share capital of WuXi Biologics Holdings Limited and 58.96% of the voting power at its general meetings.

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, 2019, 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:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares <i>(Note 1)</i>	Approximate percentage of shareholding interest <i>(Note 2)</i>
Dr. Ge Li	Interests of controlled corporations <i>(Note 3)</i>	412,080,600 (L)	31.67%
Dr. Ning Zhao	Interests of spouse <i>(Note 4)</i> Interests of parties acting in concert <i>(Note 5)</i>	412,080,600 (L)	31.67%
Mr. Zhaohui Zhang	Interests of parties acting in concert <i>(Note 5)</i>	412,080,600 (L)	31.67%

Name of Shareholder	Capacity/ Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding interest (Note 2)
Mr. Xiaozhong Liu	Interests of parties acting in concert (Note 5)	412,080,600 (L)	31.67%
New WuXi Life Science Holdings Limited	Interests of controlled corporations (Note 6)	412,080,600 (L)	31.67%
New WuXi Life Science Limited	Interests of controlled corporations (Note 6)	412,080,600 (L)	31.67%
WuXi PharmaTech (Cayman) Inc.	Interests of controlled corporations (Note 6)	412,080,600 (L)	31.67%
WuXi Biologics Holdings Limited	Beneficial owner (Note 3)	412,080,600 (L)	31.67%
JPMorgan Chase & Co.	Investment manager (Note 7)	102,300,043 (L) 3,631,101 (S) 37,093,054 (P)	7.86% 0.28% 2.85%
Citigroup Inc.	Approved lending agent (Note 8)	71,186,977 (L) 486,385 (S) 66,839,498 (P)	5.47% 0.04% 5.14%

## Notes:

1. 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.
2. As at the Latest Practicable Date, total number of Shares in issue in 1,301,124,330 Shares.
3. Dr. Ge Li controlled, 22.32% of the issued share capital of WuXi Biologics Holdings Limited and 58.96% of the voting power at its general meetings. Hence, Dr. Ge Li is deemed to be interested in 412,080,600 Shares held by WuXi Biologics Holdings Limited.
4. Dr. Ning Zhao is the spouse of Dr. Ge Li and is deemed to be interested in the Shares interested by Dr. Ge Li.

5. 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.
6. New WuXi Life Science Holdings Limited wholly owned New WuXi Life Science Limited, which wholly owned WuXi PharmaTech (Cayman) Inc., which in turn controlled 41.04% of the voting power at general meetings of WuXi Biologics Holdings Limited. WuXi Biologics Holdings Limited directly owned 412,080,600 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.
7. The Shares held by JPMorgan Chase & Co. were held via different entities in the following capacities:

<b>No. of Shares (Note 1)</b>	<b>Capacity</b>
7,342,493 (L)	Interests of controlled corporations
3,631,101 (S)	
56,537,500 (L)	Investment manager
1,326,996 (L)	Person having a security interest in shares
37,093,054 (L)	Approved lending agent

8. The Shares held by Citigroup Inc. were held via different entities in the following capacities:

<b>No. of Shares (Note 1)</b>	<b>Capacity</b>
313 (L)	Person having a security interest in shares
4,347,166 (L)	
486,385 (S)	Interests of controlled corporations
66,839,498 (L)	
	Approved lending agent

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, 2019, 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, 2019 (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 INSPECTION**

The following documents will be available for inspection during normal business hours at the principal place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from the date of this circular up to and including the date of the Annual General Meeting:

- (a) a copy of the Restricted Share Award Scheme;
- (b) the letter from Opus Capital to the Independent Shareholders, the text of which is set out on pages 21 to 43 of this circular;
- (c) the letter of consent referred to in the paragraph headed "Expert and Consent" in this appendix;
- (d) the memorandum and articles of association of the Company;
- (e) the annual results announcement for the Company for the financial year ended December 31, 2019;
- (f) the annual reports for the Company for the two financial years ended December 31, 2018 and 2019 respectively; and
- (g) this circular.

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## APPENDIX II    DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND ELECTED AT THE ANNUAL GENERAL MEETING

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### 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. GE LI — Chairman and Non-executive Director

Dr. Ge Li (李革), aged 53, was appointed as the chairman and non-executive Director in February 2014. He is also the chairman of the Nomination Committee and a member of the Strategy Committee of the Company. Dr. Li is primarily responsible for providing overall guidance on the business, strategy and corporate development of the Group. He founded the Group in May 2010 and also serves as a director of most subsidiaries of the Company. Dr. Li has been serving as the chairman and the chief executive officer since December 2000 of WuXi AppTec Co., Ltd., a company dual-listed on Shanghai Stock Exchange (上海證券交易所) (stock code: 603259) and the Main Board of the Stock Exchange (stock code: 2359), and has been responsible for the overall management of its business, strategy and corporate development. From August 2007 to December 2015, Dr. Li served as the chairman and the chief executive officer of WuXi PharmaTech (Cayman) Inc.. From May 1993 to December 2000, Dr. Li was one of the founding scientists and latest served as a research manager of Pharmacopeia Inc., a biopharmaceutical company listed on NASDAQ (stock code: PCOP), and was responsible for managing external research collaboration. Dr. Li obtained a Ph.D. degree in organic chemistry from Columbia University in the United States in February 1994. He was appointed as a director of the Scripps Research Institute (TSRI), a private non-profit research organization, in February 2017.

Saved as disclosed above, Dr. Li 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. Li has signed a service contract 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 provision of the Articles of Association. Dr. Li is a controlling shareholder of the Company and he is the spouse of Dr. Zhao Ning, one of the controlling shareholders of the Company. Dr. Li is also a director of WuXi Biologics Holdings Limited, a controlling shareholder of the Company, director of New WuXi Life Science Investment Limited and WuXi NextCode Holdings Limited, close associate of the controlling shareholders of the Company, and director of WuXi Diagnostic Investment (Cayman) Limited, subsidiary of close

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## APPENDIX II     DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND ELECTED AT THE ANNUAL GENERAL MEETING

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associate of controlling shareholder of the Company. Save for disclosed herein, he does not have any relationships with any other Directors or senior management or substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Dr. Li was deemed to be interested in 412,080,600 Shares within the meaning of Part XV of the SFO. Dr. Li also controlled 188,753 Class A ordinary shares in WuXi Biologics Holdings Limited, an associated corporation of the Company (as defined under Part XV of the SFO). Dr. Li is not entitled to any remuneration for his services as a non-executive Director.

There is no information which is discloseable nor is/was Dr. Li 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. Li's re-election that need to be brought to the attention of the Shareholders.

### **(2) DR. ZHISHENG CHEN — Executive Director**

Dr. Zhisheng Chen (陳智勝), aged 47, was appointed as an executive Director and chief executive officer in February 2014 and January 2016, respectively. He is also the chairman of the Strategy Committee of the Company. Dr. Chen is primarily responsible for the overall management of the business of the Group. He joined the Group in June 2011 and also serves as a director of most subsidiaries of the Company. From June 2011 to January 2016, Dr. Chen served as a senior vice president of WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), and was responsible for the management of biologics development and manufacturing. From August 2008 to June 2011, Dr. Chen served as the chief operating officer of Shanghai Celgen Bio-Pharmaceutical Co., Ltd. (上海賽金生物醫藥有限公司) and was responsible for the development, manufacturing and quality control of biologics. From November 2005 to August 2008, Dr. Chen served as a director and senior engineering consultant of Eli Lilly and Company, a global pharmaceutical company listed on NYSE (stock code: LLY), and was responsible for running a clinical manufacturing facility and providing technical guidance to biologics development and manufacturing. From June 2000 to November 2005, Dr. Chen served as a process engineer and manager of Merck & Co. Inc., a pharmaceutical company listed on NYSE (stock code: MRK), and was responsible for providing technical support and trouble-shooting manufacturing issues of biologics and recombinant vaccines. Dr. Chen obtained a bachelor's degree in chemical engineering from Tsinghua University in June 1994 and a Ph.D. degree in chemical engineering from University of Delaware in June 2000.

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## **APPENDIX II    DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND ELECTED AT THE ANNUAL GENERAL MEETING**

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In November 2018, Dr. Zhisheng Chen was appointed by International Society for Pharmaceutical Engineering (ISPE), the world's largest not-for-profit association serving its members by leading scientific, technical and regulatory advancement throughout the entire pharmaceutical lifecycle, to serve on the International Board of Directors for a two-year term. Dr. Zhisheng Chen is the first ISPE Board member from Asia.

Save as disclosed above, Dr. Chen 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. Chen has signed a service contract 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 provision of the Articles of Association. He 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. Chen was deemed to be interested in 1,211,418 Shares, 39,544,000 underlying Shares in respect of share options granted to him under the share option scheme of the Company and 986,500 restricted shares granted to him under the Restricted Share Award Scheme entitling him to receive 986,500 Shares upon vesting within the meaning of Part XV of the SFO. Dr. Chen is entitled to a director's and chief executive officer's salary of RMB3,003,000 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. Chen 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. Chen's re-election that need to be brought to the attention of the Shareholders.

### **PROPOSED ELECTION OF NEW DIRECTOR**

The following are details of the candidate who is recommended by the Board for election as Director at the Annual General Meeting.



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**APPENDIX II    DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED  
AND ELECTED AT THE ANNUAL GENERAL MEETING**

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**Mr. Kenneth Walton Hitchner III — Proposed independent non-executive Director**

Mr. Kenneth Walton Hitchner III, aged 60, has more than 30 years of experience in corporate finance. He served as the Chairman and Chief Executive Officer of The Goldman Sachs Group, Inc. in Asia Pacific Ex-Japan before his retirement in 2019. He was also a member of Goldman Sachs' Management Committee and co-chaired its Asia Pacific Management Committee.

Previously, Mr. Hitchner served as President of Goldman Sachs in Asia Pacific Ex-Japan from 2013 to 2017. Prior to relocating to Hong Kong, he was global head of Goldman Sachs' Healthcare Banking Group and global co-head of its Technology, Media and Telecom Group. He was named managing director in 2000 and partner in 2002. He became head of the global medical device banking practice in 1998 and head of the global pharmaceutical banking practice in 2001. He began his career with Goldman Sachs' Corporate Finance Department in 1992.

Mr. Hitchner obtained a bachelor's degree in arts from the University of Colorado in 1982 and a master's degree in business administration (MBA) as a merit fellow from Columbia University Business School in 1992.

Save as disclosed above, Mr. Hitchner 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.

When the appointment takes effect upon the conclusion of the Annual General Meeting, Mr. Hitchner will enter into a service contract 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 provision of the Articles of Association. Mr. Hitchner 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, Mr. Hitchner did not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. The proposed remuneration of Mr. Hitchner is HK\$450,000 per annum as determined by the Board with reference to his duties and responsibilities, the prevailing market conditions and the recommendation from the Remuneration Committee. The remuneration may be paid in the form of cash or restricted shares, or a combination of both (less any necessary statutory deductions), as agreed by the parties from time to time.

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**APPENDIX II     DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED  
AND ELECTED AT THE ANNUAL GENERAL MEETING**

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There is no information which is discloseable nor is/was Mr. Hitchner 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 the Mr. Hitchner's election that need to be brought to the attention of the Shareholders and the Stock Exchange.

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 1,301,124,330 Shares.

Subject to the passing of the ordinary resolution set out in item 7 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 authorised 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 130,112,433 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 its 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, 2019) 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</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2019</b>		
May	83.50	68.35
June	75.15	65.00
July	84.95	70.10
August	84.90	74.65
September	83.75	77.00
October	97.35	77.30
November	93.60	84.20
December	100.50	85.10
<b>2020</b>		
January	107.60	96.80
February	121.30	97.70
March	123.80	86.35
April	122.70	99.15
May ( <i>up to and including the Latest Practicable Date</i> )	120.30	115.00

**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.

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.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the controlling shareholders of the Company (as defined in the Listing Rules) (collectively refers to Dr. Ge Li, Dr. Ning Zhao, Mr. Xiaozhong Liu, Mr. Zhaohui Zhang, WuXi Biologics Holdings Limited, G&C I Limited, G&C III Limited, G&C V Limited, G&C VI Limited, G&C IX Limited, G&C Partnership L.P., Group & Cloud Limited and New WuXi ESOP L.P. were interested in 412,080,600 Shares, representing approximately 31.67% of the total issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Share Repurchase Mandate, the shareholding of the controlling shareholders of the Company would be increased to approximately 35.19% of the reduced total issued share capital of the Company. The Directors consider that such increase in shareholding would give rise to an obligation on them to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

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

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

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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 the meeting room of Kerry Hotel, 1388 Hua Mu Road, Pudong, Shanghai, China on Tuesday, June 9, 2020 at 2:00 p.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, 2019.
2. To re-elect the following Directors, each as a separate resolution:
  - (a) To re-elect Dr. Ge Li as non-executive Director.
  - (b) To re-elect Dr. Zhisheng Chen as executive Director.
3. To elect Mr. Kenneth Walton Hitchner III as independent non-executive Director.
4. To authorise the board of Directors or any duly authorised board committee to fix the Directors’ remuneration for the year ending December 31, 2020.
5. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditors and to authorise the board of Directors or any duly authorised board committee to fix their remuneration.

\* For identification purpose only

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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 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 deal 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 20% 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 recognised 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 allotment and issue 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; and



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## NOTICE OF ANNUAL GENERAL MEETING

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(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.”

7. 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 recognised 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:

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## NOTICE OF ANNUAL GENERAL MEETING

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“**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.”

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

“**THAT** conditional upon the passing of resolutions 6 and 7 as set out in the notice convening this meeting, the general mandate granted to the Directors pursuant to resolution 6 to exercise the powers of the Company to issue, allot and deal with the shares of the Company be and is hereby extended by the addition thereto the aggregate number of shares of the Company to be repurchased by the Company under the authority granted pursuant to resolution 7, provided that such number in aggregate 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).”

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

9. “**THAT**

- (a) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in an aggregate of 522,211 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

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## NOTICE OF ANNUAL GENERAL MEETING

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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

- (b) any one of the Directors be and is hereby authorised 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.”
10. “**THAT** the grant of 392,932 Connected Restricted Shares pursuant to the Scheme to Dr. Zhisheng Chen be and is hereby approved and confirmed.”
11. “**THAT** the grant of 117,879 Connected Restricted Shares pursuant to the Scheme to Dr. Weichang Zhou be and is hereby approved and confirmed.”
12. “**THAT** the grant of 4,560 Connected Restricted Shares pursuant to the Scheme to Mr. Edward Hu be and is hereby approved and confirmed.”
13. “**THAT** the grant of 2,280 Connected Restricted Shares pursuant to the Scheme to Mr. William Robert Keller be and is hereby approved and confirmed.”
14. “**THAT** the grant of 4,560 Connected Restricted Shares pursuant to the Scheme to Mr. Teh-Ming Walter Kwauk be and is hereby approved and confirmed.”

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

Hong Kong, May 11, 2020

*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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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 2:00 p.m. on Sunday, June 7, 2020, 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 Thursday, June 4, 2020 to Tuesday, June 9, 2020, 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 Wednesday, June 3, 2020.
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 11, 2020 (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 at [www.wuxibiologics.com](http://www.wuxibiologics.com) and the website of Hong Kong Exchanges and Clearing Limited at [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.

*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, 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.*