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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)**

## **GRANT OF SHARE OPTIONS UNDER THE SUBSIDIARY SHARE OPTION SCHEME**

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the circular of WuXi Biologics (Cayman) Inc. (the “**Company**”) dated November 4, 2021 (the “**Circular**”) in relation to, among other things, the adoption of the share option scheme of WuXi Vaccines (Cayman) Inc. (“**WuXi Vaccines**”), a subsidiary of the Company. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

The Board is pleased to announce that on May 16, 2022 (“**Date of Grant**”), WuXi Vaccines has approved the grant of 46,656,453 share options (the “**WuXi Vaccines Share Options**”) in aggregate (the “**WuXi Vaccines Grant**”), of which (i) 14,676,453 are granted to 36 employees of WuXi Vaccines; and (ii) 31,980,000 are granted to the chief executive officer of WuXi Vaccines (collectively, the “**WuXi Vaccines Grantees**”), subject to acceptance of the WuXi Vaccines Grantees, pursuant to the WuXi Vaccines Share Option Scheme.

Details of the WuXi Vaccines Grant are as follows:

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

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

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

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

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

**Validity Period of the WuXi Vaccines Share Options** : May 16, 2022 to May 15, 2032, both dates inclusive

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

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

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

| <b>Names of the WuXi Vaccines Grantees</b> | <b>Position</b>                          | <b>Number of WuXi Vaccines Share Options Granted</b> |
|--|--|--|
| Mr. Jian Dong                              | Chief executive officer of WuXi Vaccines | 31,980,000   |
| Other employees of WuXi Vaccines           |  | <u>14,676,453</u>                                    |
| <b>Total</b>                               |  | <b><u><u>46,656,453</u></u></b>                      |

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

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

As at the date of this announcement, save for the grant of share options of WuXi XDC under the WuXi XDC Share Option Scheme on April 1, 2022 (details of which are set out in the Company's announcement dated April 3, 2022), no share option has been granted to any director, chief executive or substantial shareholder of the Company (or any of their respective associates) under any share option scheme of the Group in the 12-month period up to and including the Date of Grant.

A circular containing, among other things, further details of the proposed grant of WuXi Vaccines Share Options to Mr. Jian Dong will be despatched to the Shareholders in due course.

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

Hong Kong, May 16, 2022

*As at the date of this announcement, the Board comprises Dr. Zhisheng Chen and Dr. Weichang Zhou as executive Directors; Dr. Ge Li, Dr. Ning Zhao, Mr. Yibing Wu and Mr. Yanling Cao as non-executive Directors; and Mr. William Robert Keller, Mr. Teh-Ming Walter Kwauk and Mr. Kenneth Walton Hitchner III as independent non-executive Directors.*

\* *For identification purpose only*