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**WUXI APPTEC CO., LTD.\***

**無錫藥明康德新藥開發股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2359)**

**(1) INSIDE INFORMATION  
PROPOSED DELISTING OF STA**

**UNDERTAKING TO ACQUIRE EQUITY INTEREST IN STA  
RELATING TO THE PROPOSED DELISTING**

**(2) POSSIBLE CONNECTED TRANSACTIONS  
IN RELATION TO  
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IN STA FROM CONNECTED VENDORS**

Reference is made to the announcements of the Company dated March 10, 2019 and April 4, 2019, in relation to the Proposed Delisting.

**UNDERTAKING TO ACQUIRE EQUITY INTEREST IN STA  
RELATING TO THE PROPOSED DELISTING**

On April 17, 2019, the Board resolved that the Group shall use up to RMB3,100 million to acquire through WXAT Shanghai, in addition to any STA Shares acquired by WXAT Shanghai in the 12 months preceding the passing of the resolutions, all the outstanding STA Shares from the Minority STA Shareholders pursuant to the Protection Measures in respect of the Proposed Delisting. As of December 31, 2018, STA was owned as to 85.71% by WXAT Shanghai.

The consideration of the Proposed Acquisitions shall be determined based on the timing of the acquisition of the STA Shares by the Minority STA Shareholders, which for any Minority STA Shareholders acquiring before the announcement of the Proposed Delisting, shall be the higher of (i) RMB48.00 per STA Share; or (ii) the original acquisition cost of such Minority STA Shareholder.

## **POSSIBLE CONNECTED TRANSACTIONS IN RELATION TO THE PROPOSED ACQUISITIONS OF EQUITY INTEREST IN STA FROM CONNECTED VENDORS**

As of the date of this announcement, the Minority STA Shareholders include 7 connected persons of the Company holding an aggregate of 5,722,802 STA Shares, representing approximately 1.29% equity interest of STA. On April 17, 2019, as part of the Proposed Acquisitions, the Board resolved to acquire from the Connected Vendors their STA Shares. As of the date of this announcement, no definitive agreements have been signed with the Connected Vendors.

## **LISTING RULES IMPLICATIONS**

As of the date of this announcement, the Connected Vendors are (i) Dr. Ge Li who is a director and chief executive officer of the Company and a director of STA; (ii) Mr. Edward Hu who is a director and co-chief executive officer of the Company and a director of STA; (iii) Mr. Xiaozhong Liu who is a director of the Company and STA; (iv) Mr. Zhaohui Zhang who is a director of the Company and STA; (v) Mr. Minzhang Chen who is a director and chief executive officer of STA; (vi) Mr. Harry Liang He who is a supervisor of the Company and STA; and (vii) Ms. Xiangli Liu who is a supervisor of STA. Therefore, the Proposed Connected Acquisitions constitute connected transactions of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Proposed Connected Acquisitions have been aggregated. Since more than one of the applicable percentage ratios (as defined in the Listing Rules) for the aggregate consideration of the Proposed Connected Acquisitions exceed 0.1% but none of the applicable percentage ratios reaches 5%, the Proposed Connected Acquisitions are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Other than the possible connected transactions above, the Proposed Acquisitions, including any STA Shares acquired by WXAT Shanghai in the 12 months preceding the passing of the resolutions, do not constitute any other notifiable transactions under the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcements of the Company dated March 10, 2019 and April 4, 2019, in relation to the Proposed Delisting.

### **(1) UNDERTAKING TO ACQUIRE EQUITY INTEREST IN STA RELATING TO THE PROPOSED DELISTING**

Pursuant to the Protection Measures, WXAT Shanghai, as the controlling shareholder of STA, shall undertake to acquire the equity interests held by the Minority STA Shareholders as measures to protect their interests in respect of the Proposed Delisting and offer them with reasonable exit mechanisms from their investments.

On April 17, 2019, the Board resolved that the Group shall use up to RMB3,100 million to acquire through WXAT Shanghai, in addition to any STA Shares acquired by WXAT Shanghai in the 12 months preceding the passing of the resolutions, all the outstanding STA Shares from the Minority STA Shareholders pursuant to the Protection Measures in respect of the Proposed Delisting. As of December 31, 2018, STA was owned as to 85.71% by WXAT Shanghai.

The STA Shares were suspended for trading on NEEQ from March 11, 2019 until they were resumed for trading on April 9, 2019. STA announced on April 4, 2019 that the board of directors of STA had passed resolutions regarding the Proposed Delisting. The consideration of the Proposed Acquisitions shall be determined based on the timing of the acquisition of the STA Shares by the respective Minority STA Shareholders:

- (a) where the Minority STA Shareholders acquired the STA Shares after the announcement of the Proposed Delisting, the consideration shall be determined by average closing prices of STA Shares for the preceding 90 trading days of March 8, 2019 (inclusive), i.e. RMB39.77 per STA Share;
- (b) where the Minority STA Shareholders held the STA Shares before the announcement of the Proposed Delisting, the consideration shall be the higher of (i) RMB48.00 per STA Share; or (ii) the original acquisition cost of such Minority STA Shareholders; and
- (c) for the avoidance of doubt, where the Minority STA Shareholders held the STA Shares before the resumption of trading of STA Shares on April 9, 2019 but deal in the STA Shares after the resumption, he/she shall be entitled to (a) above only but not (b) above with respect to the STA Shares acquired after the resumption.

The determination of the consideration aforementioned has taken into account the following factors: (i) the principles to protect the legal rights and interests of minority interests laid out by the China Securities Regulatory Commission and the NEEQ; (ii) the recent closing prices and historical transactions of STA Shares prior to the announcement of the Proposed Delisting; (iii) the diversity in nature of the STA Shareholders and the capital base as well as liquidity of the STA Shares; and (iv) the market practice on NEEQ with respect to protection measures for dissenting shareholders in delistings.

The Proposed Acquisitions shall involve transactions with a number of counterparties to be completed before or after the Proposed Delisting. The resolutions shall authorize the management of the Company, for the next 12 months from the passing of the resolutions, to negotiate and choose the pertinent venue to complete the Proposed Acquisitions with each of the Minority STA Shareholders in accordance with the applicable laws and regulations, including but not limited to, transfer of STA Shares on NEEQ before the Proposed Delisting or signing of share transfer agreement to complete transaction after the Proposed Delisting.

The Board considers that the Proposed Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Other than the possible connected transactions below, the Proposed Acquisitions, including any STA Shares acquired by WXAT Shanghai in the 12 months preceding the passing of the resolutions, do not constitute any other notifiable transactions under the Listing Rules.

The Proposed Delisting remains subject to the approval of the General Meeting of STA and NEEQ. It is not guaranteed whether the Proposed Delisting will proceed or when it will proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

## (2) POSSIBLE CONNECTED TRANSACTIONS IN RELATION TO THE PROPOSED ACQUISITIONS OF EQUITY INTEREST IN STA FROM CONNECTED VENDORS

As of the date of this announcement, the Minority STA Shareholders include 7 connected persons of the Company holding an aggregate of 5,722,802 STA Shares, representing approximately 1.29% equity interest of STA. On April 17, 2019, as part of the Proposed Acquisitions, the Board resolved to acquire from the Connected Vendors their STA Shares, the details of which are as follows:

Name of the Connected Vendor	Number of STA Shares	Percentage of equity interest in STA
Dr. Ge Li	2,967,000	0.6712%
Mr. Edward Hu	114,453	0.0259%
Mr. Xiaozhong Liu	1,256,028	0.2841%
Mr. Zhaohui Zhang	912,561	0.2064%
Mr. Minzhang Chen	126,149	0.0285%
Mr. Harry Liang He	103,206	0.0233%
Ms. Xiangli Liu	243,405	0.0551%
<b>Total</b>	<b>5,722,802</b>	<b>1.2945%</b>

It is expected that the total consideration in respect of the Proposed Connected Acquisitions shall not exceed RMB275 million. The basis of the consideration of the Proposed Connected Acquisitions shall be in line with the offers extended to all other Minority STA Shareholders under the Proposed Acquisitions. The Company will fund the Proposed Connected Acquisitions by internal resources of the Group.

As of the date of this announcement, no definitive agreements have been signed with the Connected Vendors in this regard. The Company will make further announcement(s) on the Proposed Connected Acquisitions as required under the Listing Rules.

## REASONS FOR AND BENEFITS OF THE PROPOSED CONNECTED ACQUISITIONS

The Proposed Connected Acquisitions, as part of the Proposed Acquisitions, are made to cater to the interests of the Minority STA Shareholders in light of the Proposed Delisting and offer them an opportunity to exit at a fair and reasonable price which is no less than their historical acquisition costs. The Directors believe that the Proposed Delisting would allow STA to focus on long-term development strategy and enhance operational efficiency, and save unnecessary administrative and other listing-related costs and expenses. The Company will continue to promote the capacity and scale of the “integrated, end-to-end” open research and development platform covering the industry chain of discovery, development and production of small molecule drugs.

The Directors (including the independent non-executive Directors) consider that the terms of the Proposed Connected Acquisitions are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Dr. Ge Li, Mr. Edward Hu, Mr. Xiaozhong Liu and Mr. Zhaohui Zhang, being the Connected Vendors, together with Dr. Ning Zhao, the spouse of Dr. Ge Li, were considered as having material interest in the Proposed Connected Acquisitions and had abstained from voting on the board resolutions of the Company approving the Proposed Connected Acquisitions.

## **INFORMATION ON THE GROUP AND STA**

The Group provides comprehensive and integrated research and manufacturing services throughout the discovery, development and manufacturing spectrum for small molecule drugs. It also provides development and manufacturing services for cell therapies and gene therapies as well as providing testing services for medical devices.

STA is a majority owned subsidiary of the Company whose shares are quoted on the NEEQ (stock code: 832159). STA is a company incorporated in the PRC principally engaged in contract development and manufacturing services in relation to small molecular drugs.

## **FINANCIAL INFORMATION OF STA**

The consolidated financial information of STA prepared based on the Auditing Standards for Certificated Public Accountants of China ( 中國註冊會計師審計準則 ) for the two financial years ended December 31, 2017 and December 31, 2018 is set out below:

	For the year ended December 31, 2017 (RMB)	<b>For the year ended December 31, 2018 (RMB)</b>
Net profit before tax and extraordinary items	572,718,295.63	<b>712,786,891.40</b>
Net profit after tax and extraordinary items	456,251,863.94	<b>608,425,858.78</b>

As at December 31, 2018, the net asset value of STA is RMB3,552,376,373.29.

The 5,722,802 STA Shares held by the Connected Vendors were originally acquired at an aggregate cost of approximately RMB49.67 million.

## LISTING RULES IMPLICATIONS

As of the date of this announcement, the Connected Vendors are (i) Dr. Ge Li who is a director and chief executive officer of the Company and a director of STA; (ii) Mr. Edward Hu who is a director and co-chief executive officer of the Company and a director of STA; (iii) Mr. Xiaozhong Liu who is a director of the Company and STA; (iv) Mr. Zhaohui Zhang who is a director of the Company and STA; (v) Mr. Minzhang Chen who is a director and chief executive officer of STA; (vi) Mr. Harry Liang He who is a supervisor of the Company and STA; and (vii) Ms. Xiangli Liu who is a supervisor of STA. Therefore, the Proposed Connected Acquisitions constitute connected transactions of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Proposed Connected Acquisitions have been aggregated. Since more than one of the applicable percentage ratios (as defined in the Listing Rules) for the aggregate consideration of the Proposed Connected Acquisitions exceed 0.1% but none of the applicable percentage ratios reaches 5%, the Proposed Connected Acquisitions are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

“A Share(s)”	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shanghai Stock Exchange and traded in Renminbi
“Board”	the board of Directors of the Company
“Company”	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the predecessor of which, WuXi AppTec Ltd. (無錫藥明康德新藥開發有限公司) (formerly known as WuXi PharmaTech Co., Ltd. (無錫藥明康德組合化學有限公司)), was established under the laws of the PRC as an enterprise legal person in December 2000, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 603259)
“connected person(s)”	has the meaning given to it under the Listing Rules
“Connected Vendor(s)”	Dr. Ge Li, Mr. Edward Hu, Mr. Xiaozhong Liu, Mr. Zhaohui Zhang, Mr. Minzhang Chen, Mr. Harry Liang He and Ms. Xiangli Liu
“Director(s)”	the director(s) of the Company
“Dissenting STA Shareholders”	minority STA Shareholders who will not attend the General Meeting of STA or will not vote in favor of the Proposed Delisting at the General Meeting of STA

“General Meeting of STA”	the general meeting of STA proposed to be held on April 24, 2019 to consider, among others, the Proposed Delisting
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minority STA Shareholders”	Dissenting STA Shareholders and other minority STA Shareholders
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Proposed Acquisitions”	the proposed acquisitions by the Group from the Minority STA Shareholders
“Proposed Connected Acquisitions”	the proposed acquisitions by the Group from the Connected Vendors as part of the Proposed Acquisitions
“Proposed Delisting”	the proposed delisting of STA from NEEQ
“Protection Measures”	the Proposal on the Protection Measures Regarding the Interests of Dissenting Shareholders (《異議股東保護方案》), the proposal passed by the board of directors of STA on April 4, 2019, to protect the interests of Dissenting STA Shareholders in respect of the Proposed Delisting
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	A Share(s) and H Share(s)
“STA”	Shanghai SynTheAll Pharmaceutical Co., Ltd.* (上海合全藥業股份有限公司) (formerly known as Shanghai Hequan Precise Chemical Engineering Co., Ltd.* (上海合全精細化工有限公司), a company incorporated in the PRC on January 23, 2003 and the shares of which are quoted on the NEEQ (stock code: 832159), an indirect majority owned subsidiary of the Company

“STA Share(s)”	domestic shares of STA
“STA Shareholder(s)”	holder(s) of STA Share(s)
“WXAT Shanghai”	WuXi AppTec (Shanghai) Co., Ltd.* (上海藥明康德新藥開發有限公司), a company incorporated in the PRC on April 2, 2002 and a wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board  
**WuXi AppTec Co., Ltd.**  
**Dr. Ge Li**  
*Chairman*

Hong Kong, April 18, 2019

*As of the date of this announcement, the Board of the Company comprises Dr. Ge Li, Mr. Edward Hu, Mr. Xiaozhong Liu, Mr. Zhaohui Zhang and Dr. Ning Zhao as executive Directors, Mr. Xiaomeng Tong and Dr. Yibing Wu as non-executive Directors and Dr. Jiangnan Cai, Ms. Yan Liu, Mr. Dai Feng, Dr. Hetong Lou and Mr. Xiaotong Zhang as independent non-executive Directors.*

\* *For identification purpose only*