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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) PROPOSED ADOPTION OF THE 2022 H SHARE AWARD AND TRUST SCHEME;**
- (2) PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE 2022 H SHARE AWARD AND TRUST SCHEME; AND**
- (3) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2022 H SHARE AWARD AND TRUST SCHEME**

**I. PROPOSED ADOPTION OF THE 2022 H SHARE AWARD AND TRUST SCHEME**

The Board has resolved at a meeting of the Board held on August 15, 2022 to propose the adoption of the 2022 Scheme. The 2022 Scheme shall be effective upon the approval by the Shareholders at the EGM. The grant of Awards to the Selected Participants under the 2022 Scheme shall be subject to the fulfillment of the conditions as determined by the Board and/or the Delegatee to be set out in the Award Letter (if any). Please refer to the section headed “Grant of Awards” below for further details. The principal terms of the 2022 Scheme are set out below.

**Purposes of the 2022 Scheme**

The purposes of the 2022 Scheme are:

- (i) to attract, motivate and retain highly skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to be further incentivized by equity interests in the Company, more directly associated with the equity performance of the Company;

- (ii) to modernize the Company's remuneration practices and to better align with the interests of the Shareholders while seeking a balanced approach in the operational and executive management oversight; and
- (iii) to (a) recognize the contributions of the leadership of the Company including the Directors; (b) encourage, motivate and retain the leadership of the Company whose collective contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) introduce additional incentive for the leadership of the Company by aligning the interests of the leadership of the Company by aligning the interests of the leadership of the Company to that of the Shareholders and the Group as a whole.

The Directors are of the view that the individual performance indicators as conditions for the vesting of the Awards will serve to achieve the purpose stated above.

### **Duration**

Subject to any early termination of the 2022 Scheme pursuant to the 2022 Scheme Rules, the 2022 Scheme shall be valid and effective for ten years commencing from the date on which the 2022 Scheme is approved by the Shareholders at the EGM (after which no further Awards will be granted), and thereafter for so long as there are non-vested Award Shares granted under the 2022 Scheme prior to the expiration of the 2022 Scheme, in order to give effect to the vesting of such Award Shares.

### **Source of Funds**

The source of funds for funding the 2022 Scheme is the internal funds of the Company.

### **Source of Award Shares and acquisition of H Shares by the Trustee**

The source of the Award Shares under the 2022 Scheme shall be H Shares to be acquired by the Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the 2022 Scheme Rules.

The Company shall as soon as reasonably practicable, for the purposes of satisfying the grant of Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price. The Trustee shall as soon as reasonably practicable thereafter proceed to acquire such number of H Shares as instructed by the Company on-market at the prevailing market price.

The acquisition of H Shares by the Trustee will be done independently of, and possibly concurrently with, other dealings of A Shares or H Shares by Shareholders which could be a Director or a member of the senior management, while being subject to dealing restrictions imposed by applicable laws and regulations (including but not limited to the Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange).

Any excess funds provided by the Company shall not automatically form part of the funds of the Trust and shall be refunded to the Company if written direction to that effect is received by the Trustee within 30 days of the date of completion of the transfer of the relevant H Shares to the Trustee.

The Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

### **Scheme Limit**

Subject to the 2022 Scheme Rules, the Scheme Limit shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK\$2 billion, and in any event the maximum number of H Shares to be so acquired by the Trustee shall be determined by the Board and/or the Delegatee (pursuant to the authorization to be granted by the Shareholders) which shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder. The Company proposed to set the Scheme Limit in terms of the total amount of funds that it will provide to the Trustee to acquire H Shares through on-market transactions together with a limit on the number of H Shares which can be so acquired by the Trustee in order to (i) regulate the costs of the Company in setting up the 2022 Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the 2022 Scheme and the maximum number of H Shares underlying the 2022 Scheme.

For illustrative purpose, based on the average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding August 12, 2022 (being the trading day before the date of this announcement) of HK\$93.19 per H Share, the number of H Shares that can be purchased with funds in the amount of HK\$2 billion for the purpose of the 2022 Scheme would be 21,461,530 H Shares. As this is outside the abovementioned limit on the total number of H Shares which can be so acquired by the Trustee, the maximum number of H Shares that can be purchased for the purpose of the 2022 Scheme shall instead be such number of H Shares as determined by the Board and/or the Delegatee which shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder. The ultimate number of H Shares underlying the 2022 Scheme is therefore uncertain, albeit to a lesser degree as it remains dependent on the actual implementation of the acquisition of H Shares by the Trustee.

The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the 2022 Scheme (excluding Award Shares that have been forfeited in accordance with the 2022 Scheme) to exceed the Scheme Limit without Shareholders' approval. The Scheme Limit shall not be subject to any refreshment.

#### **Administration of the 2022 Scheme**

The 2022 Scheme shall be subject to the administration of the following administrative bodies:

- (i) the general meeting of the Shareholders, as the institution vested with the supreme authority of the Company, is responsible for the consideration and approval of the adoption of the 2022 Scheme. The general meeting of the Shareholders may authorize the Board to deal with all matters related to the 2022 Scheme to the extent of its authority;
- (ii) the Board is the institution in charge of the administration of the 2022 Scheme in accordance with the 2022 Scheme Rules and where applicable, the Trust Deed. A decision of the Board or the Delegatee shall be final and binding on all persons affected. The Remuneration and Appraisal Committee shall be responsible for drafting and revising the 2022 Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the 2022 Scheme, the Board will submit the 2022 Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee may handle all matters related to the 2022 Scheme within the authorization by the general meeting of the Shareholders;

- (iii) the independent non-executive Directors are the supervisory institution of the 2022 Scheme and shall evaluate and communicate their views considering the position of Shareholders on whether the 2022 Scheme facilitates the sustainable development of the Company and whether the 2022 Scheme impairs the interests of the Company and the Shareholders as a whole. In addition, the independent non-executive Directors will supervise whether the implementation of the 2022 Scheme complies with relevant laws, regulations, regulatory documents and the business rules of the Stock Exchange, and is responsible for reviewing the list of the Selected Participants; and
- (iv) the Trust will be constituted to service the 2022 Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire H Shares through on-market transactions with funds in the amount of not more than HK\$2 billion to be transferred by the Company to the Trust, and the maximum number of H Shares to be so acquired by the Trustee shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder.

Pursuant to the 2022 Scheme Rules, the authority to administer the 2022 Scheme may be delegated by the Board to the Delegatee as deemed appropriate in the sole and absolute discretion of the Board. Upon the approval and adoption of the 2022 Scheme by the Shareholders at the EGM, the Board will delegate to the Delegatee the authority to administer the 2022 Scheme, including the power to grant an Award under the 2022 Scheme.

### **Selected Participants of the 2022 Scheme**

Eligible Employees who may qualify to participate in the 2022 Scheme include any individual, being a Director, Supervisor, senior management member, mid-level manager, basic-level manager, backbone member of the scientists, other technicians, who is a full-time PRC or non-PRC employee of any members of the Group.

The Board or the Delegatee may, from time to time, select any Eligible Employee to be a Selected Participant in accordance with the 2022 Scheme Rules. The Selected Participants are determined in accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws, regulations and regulatory documents and the relevant provisions of the Articles of Association, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Participant to the Group.

No one should be considered as a Selected Participant of the 2022 Scheme if he:

- (i) has been deemed as an inappropriate candidate for similar award schemes of share incentive plans of a listed company by any securities regulatory bodies with authority in the most recent 12 months;
- (ii) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the most recent 12 months; or
- (iii) is prohibited from acting as a director or member of the senior management of a company due to occurrence of circumstances as stipulated in the Company Law of the PRC.

### **Grant of Awards**

The Board or the Delegatee may grant Awards to Selected Participants during the Award Period conditional upon fulfilment of terms and conditions of the Awards and performance targets as the Board or the Delegatee determines from time to time.

Subsequent to the obtaining of the Shareholders' approval in connection with the proposed adoption of the 2022 Scheme, the Company will transfer the necessary funds in the amount of not more than HK\$2 billion (being the Scheme Limit) for the Trustee to acquire H Shares through on-market transactions from time to time at prevailing market price as the source of the Award Shares under the 2022 Scheme. The grant of Awards to the Selected Participants shall be subject to the fulfillment of the conditions as determined by the Board and/or the Delegatee to be set out in the Award Letter (if any). If such conditions cannot be satisfied, the relevant grant of Awards to such Selected Participants will not take effect and the Trustee shall hold and make use of such acquired H Shares in accordance with the relevant instructions of the Company, which could potentially involve the use of the acquired H Shares for the purpose of serving as the underlying shares of the awards to be granted under the 2023 H Share award and trust scheme of the Company (with terms and mechanism similar to the 2022 Scheme), the proposed adoption of which is expected to be made by the Company in the third quarter of 2023 (if any). Further announcement(s) will be made by the Company as and when appropriate to keep the Shareholders informed of any material development in this respect.

The Company shall issue an Award Letter to each Selected Participant specifying, among other things, the Grant Date, the number of Award Shares underlying the Award, the conditions of the grant (if any), the vesting criteria and conditions, and the Vesting Date.

No grant of any Awards to any Selected Participants may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under certain circumstances including:

- (i) where such grant of Award would result in a breach of the Scheme Limit;
- (ii) after the expiry of the Award Period or after the earlier termination of the 2022 Scheme;
- (iii) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (iv) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (v) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

### **Vesting of the Awards**

The Board or the Delegatee may determine the vesting criteria and conditions or periods for the Awards to be vested.

### ***Vesting schedule***

Unless otherwise specified in the Award Letter approved by the Board or the Delegatee, the Vesting Periods of the Awards granted under the 2022 Scheme are as follows:

- (A) For Awards to be granted to Selected Participants who are Eligible Employees as at the date on which the 2022 Scheme is approved by the Shareholders at the EGM:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
First Vesting Period	Within the year immediately following the first anniversary of the Grant Date	25%
Second Vesting Period	Within the year immediately following the second anniversary of the Grant Date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the Grant Date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the Grant Date	25%

- (B) For Awards to be granted to Selected Participants who (i) shall become Eligible Employees subsequent to the date on which the 2022 Scheme is approved by the Shareholders at the EGM; and (ii) shall have been given the entitlement to be granted Awards pursuant to the relevant offer letters to be issued by the Company in connection with their employment within the Group:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
First Vesting Period	Within the year immediately following the first anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	0%
Second Vesting Period	Within the year immediately following the second anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	25%
Third Vesting Period	Within the year immediately following the third anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	50%

The Vesting Periods of the Awards granted under any subsequent grant of the 2022 Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board or the Delegatee in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.

## *Vesting Conditions*

Vesting of the Awards granted under the 2022 Scheme is subject to conditions of the individual performance indicators of the Selected Participants, and any other applicable vesting conditions as set out in the Award Letter.

The individual performance indicators of the Selected Participants are as follows:

According to the applicable performance management rules to be adopted by the Company, the Board or the Delegatee shall carry out annual comprehensive appraisal on the Selected Participants and determine the actual vesting amount of the Awards granted under the 2022 Scheme accordingly. The actual vesting amount of the Award granted to a Selected Participant for the respective Vesting Periods shall be equal to the standard coefficient  $\times$  the planned vesting amount for the respective Vesting Periods. The coefficient for individual performance appraisal results of grade B- (or its equivalent appraisal result such as “**meets expectations**”) or above is 100% whereas the coefficient for individual performance appraisal results below grade B- is 0.

In respect of Selected Participants who are PRC employees, the performance appraisal results comprise five grades, namely A+, A, B, C and D. For PRC employees who are management personnel at the level of senior director or above, the performance appraisal results comprise eight grades, namely A+, A, A-, B+, B, B-, C and D. In respect of Selected Participants who are non-PRC employees, the performance appraisal results comprise five grades, namely “significantly exceeds expectations”, “exceeds expectations”, “meets expectations”, “needs improvement” and “does not meet expectations”.

The performance appraisal is conducted annually and the process involves: (i) employee self-appraisal; (ii) performance appraisal evaluator conducts objective evaluation based on feedback and recommendations on the employee as well as the performance of the employee; (iii) performance appraisal reviewer conducts review of the performance appraisal results; and (iv) relevant persons-in-charge of the various business and operational units approves the performance appraisal results, and the appraisal results of management personnel at the level of senior director or above shall be approved by a chief executive officer of the Company.

The performance appraisal encompasses three aspects, namely job responsibilities, operational performance and core values. The supervisors of the relevant employees will conduct objective evaluation of the performance appraisal results based on the collected appraisal information (including records of work results, work summary of the relevant employees and performance feedback and recommendations) and the individual performance targets of the relevant employees. In terms of core values, the

supervisors of the relevant employees will conduct an integrated evaluation based on parameters including key events, upstream and downstream work evaluation and peer evaluation.

If the Selected Participant fails to fulfil the individual performance indicators above, all the Award Shares underlying the relevant Awards which may otherwise be vested during the respective Vesting Periods shall not be vested and shall be held by the Trustee as Returned Shares for application towards future Awards in accordance with the 2022 Scheme Rules for the purpose of the 2022 Scheme.

### **Transfer or sale of Award Shares**

For the purposes of vesting of the Award, the Board or the Delegatee may either:

- (i) direct and procure the Trustee to release from the Trust the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or
- (ii) to the extent that, at the determination of the Board or the Delegatee, it is not practicable for the Selected Participant to receive the Award in H Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in H Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board or the Delegatee will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the Actual Selling Price of such Award Shares as set out in the Vesting Notice.

In accordance with the 2022 Scheme Rules, barring any unforeseen circumstances, within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board or the Delegatee shall send to the relevant Selected Participant the Vesting Notice. The Board or the Delegatee shall forward a copy of the Vesting Notice to the Trustee and instruct the Trustee the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board or the Delegatee, or be sold as soon as practicable from the Vesting Date.

Subject to the receipt of the Vesting Notice and the instructions from the Board or the Delegatee, the Trustee shall transfer and release the relevant Award Shares to the relevant Selected Participant in the manner as determined by the Board or the Delegatee or sell the relevant Award Shares as soon as practicable from the Vesting Date and pay the Actual Selling Price to the Selected Participant within a reasonable time period in satisfaction of the Award.

## **Interest in the Award Shares**

Any Award granted under the 2022 Scheme but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

Neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested).

A Selected Participant shall have no right to any dividend underlying the non-vested Award Shares or any of the Returned Shares or any dividend, right to any cash or non-cash income, distribution, sale proceeds of non-cash and non-scrip distributions underlying the Returned Shares, all of which shall be retained by the Trustee for the benefit of the 2022 Scheme.

## **Amendment or Termination of the 2022 Scheme**

### ***Amendment of the 2022 Scheme***

Subject to the Scheme Limit, the 2022 Scheme may be altered in any respect by a resolution of the Board or the Delegatee provided that no such alteration shall operate to affect materially and adversely any subsisting rights of any Selected Participant unless otherwise provided for in these 2022 Scheme Rules, except (i) with the consent in writing of Selected Participants amounting to more than half of the nominal value of all Award Shares held by the Trustee on that date; or (ii) with the sanction of an ordinary resolution that is passed at a meeting of the Selected Participants amounting to more than half of the nominal value of all Award Shares held by the Trustee on that date.

### ***Termination of the 2022 Scheme***

The 2022 Scheme shall terminate on the earlier of (i) the end of the Award Period except in respect of any non-vested Award Shares granted under the 2022 Scheme prior to the expiration of the 2022 Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the 2022 Scheme; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the 2022 Scheme.

## II. PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE 2022 H SHARE AWARD AND TRUST SCHEME

The Company proposes to grant Awards representing a maximum of 1,418,760 underlying Award Shares to 14 Connected Selected Participants as follows:

Name of Connected Selected Participants	Position	Maximum number of Award Shares underlying the Award <sup>(Note 1)</sup>	Approximate percentage to the total number of H Shares as at the date of this announcement	Approximate percentage to the total issued share capital of the Company as at the date of this announcement	Aggregate market value of the maximum number of Award Shares underlying the Award as at the trading day immediately preceding the date of this announcement <sup>(Note 2)</sup>
Dr. Ge Li	Executive Director, chairman and chief executive officer	399,683 H Shares	0.1019%	0.0135%	HK\$38,309,615.55
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	189,849 H Shares	0.0484%	0.0064%	HK\$18,197,026.65
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	201,565 H Shares	0.0514%	0.0068%	HK\$19,320,005.25
Dr. Minzhang Chen	Executive Director, co-chief executive officer	307,596 H Shares	0.0784%	0.0104%	HK\$29,483,076.60
Dr. Shuhui Chen	Vice president	72,846 H Shares	0.0186%	0.0025%	HK\$6,982,289.10
Mr. Zhaohui Zhang	Executive Director, vice president	99,921 H Shares	0.0255%	0.0034%	HK\$9,577,427.85
Dr. Ning Zhao	Executive Director, vice president	39,968 H Shares	0.0102%	0.0014%	HK\$3,830,932.80
Ms. Ming Shi	Chief financial officer	46,990 H Shares	0.0120%	0.0016%	HK\$4,503,991.50

Name of Connected Selected Participants	Position	Maximum number of Award Shares underlying the Award <sup>(Note 1)</sup>	Approximate percentage to the total number of H Shares as at the date of this announcement	Approximate percentage to the total issued share capital of the Company as at the date of this announcement	Aggregate market value of the maximum number of Award Shares underlying the Award as at the trading day immediately preceding the date of this announcement <sup>(Note 2)</sup>
Ms. Hui Xu	President of principal subsidiaries of the Company	31,798 H Shares	0.0081%	0.0011%	HK\$3,047,838.30
Ms. Wendy J. Hu <sup>(Note 3)</sup>	Senior director of human resources	6,245 H Shares	0.0016%	0.0002%	HK\$598,583.25
Mr. Harry Liang He	Chairman of the Supervisory Committee	9,992 H Shares	0.0025%	0.0003%	HK\$957,733.20
Ms. Minfang Zhu	Employee representative Supervisor	3,122 H Shares	0.0008%	0.0001%	HK\$299,243.70
Mr. Hongping Wan	Supervisory of principal subsidiaries of the Company	3,312 H Shares	0.0008%	0.0001%	HK\$317,455.20
Mr. Huitian Lv	Director of principal subsidiaries of the Company	5,873 H Shares	0.0015%	0.0002%	HK\$562,927.05
<b>Total</b>		<b>1,418,760 H Shares</b>	<b>0.3618%</b>	<b>0.0480%</b>	<b>HK\$135,988,146.00</b>

*Note 1: The actual number of Award Shares underlying the Award shall be further notified after the completion of the acquisition of the Award Shares by the Trustee through on-market transactions from time to time at prevailing market price.*

*Note 2: The aggregate market value of the maximum number of Award Shares underlying the Award is calculated with reference to the closing price of the H Shares as quoted on the Stock Exchange on the trading day immediately preceding the date of this announcement, being HK\$95.85.*

*Note 3: Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.*

Six of the Connected Selected Participants, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Mr. Zhaohui Zhang and Dr. Ning Zhao, being executive Directors, have declared their interests in the 2022 Scheme and abstained from voting on the relevant board resolutions in relation to the 2022 Scheme. Save for Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Mr. Zhaohui Zhang and Dr. Ning Zhao, there is no other Director who is required to abstain from voting on the board resolutions in relation to the 2022 Scheme.

Further, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Mr. Zhaohui Zhang and Dr. Ning Zhao, being Directors, shall not deal in any securities of the Company, including the Award Shares, for the black-out period as stipulated under Appendix 10 to the Listing Rules.

### **III. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2022 H SHARE AWARD AND TRUST SCHEME**

In order to ensure the successful implementation of the 2022 Scheme, the Board proposed that, subject to the approval of the 2022 Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board and/or the Delegatee to handle matters pertaining to the 2022 Scheme with full authority, including but not limited to:

- (i) to determine the terms and conditions of the grant of Awards, approve the form and content of the Award Letter, select Eligible Employees to become Selected Participants, and grant Awards to Selected Participants from time to time;
- (ii) to determine the maximum number of H Shares to be acquired by the Trustee which shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder;
- (iii) to determine the Grant Date and Vesting Date of Award Shares;
- (iv) to administer, amend and adjust the 2022 Scheme, including but not limited to adjusting the Scheme Limit, adjusting the number of outstanding Award Shares or accelerate the Vesting Dates of any Awards (if such amendments require the approval of the Shareholders' meeting and/or relevant regulatory authorities pursuant to the relevant laws, regulations or requirements of the relevant regulatory authorities, the Board shall obtain the corresponding authorization for such amendments);

- (v) to decide on the selection, engagement and change of bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the 2022 Scheme;
- (vi) to sign, execute, amend and terminate all agreements and other relevant documents in connection with the 2022 Scheme, fulfill all relevant procedures in relation to the 2022 Scheme, and adopt other methods to implement the terms of the 2022 Scheme;
- (vii) to determine and adjust the standards and conditions of the vesting of the Awards as well as the Vesting Periods, evaluate and manage the performance indicators, and to determine whether Awards granted to the Selected Participants can be vested, and to delegate such authorization to the Executive Committee;
- (viii) to determine the execution, amendment and termination of the 2022 Scheme, including the forfeiture of Awards and continued vesting of Award Shares upon the changes in circumstances pertaining to the Selected Participants;
- (ix) to construe and interpret the 2022 Scheme Rules and to resolve any issues and disputes arising from or in connection with the 2022 Scheme;
- (x) to exercise any other authorizations in relation to matters necessary to the implementation of the 2022 Scheme granted by the Shareholders' meeting from time to time;
- (xi)
  - (a) to enter into the Trust Deed on behalf of the Company with the Trustee, pursuant to which the Trustee will provide trust services for the 2022 Scheme;
  - (b) to enter into the plan management agreement on behalf of the Company with Computershare Hong Kong Investor Services Limited, pursuant to which Computershare Investor Services Limited will provide plan management services in respect of the 2022 Scheme; and
  - (c) to set up a cash securities account under the name of the Company so as to facilitate the provision of trading services and trading platform for the Selected Participants of the 2022 Scheme by Computershare Investor Services Limited;

(xii) to, during the validity period of such authorization, delegate its authority to administer the 2022 Scheme to the Executive Committee formed by individuals including, as at the date of this announcement, the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman and Global Chief Investment Officer Mr. Edward Hu, the co-Chief Executive Officer Dr. Steve Qing Yang, the co-Chief Executive Officer Dr. Minzhang Chen, the vice president Dr. Shuhui Chen, the vice president Mr. Zhaohui Zhang, the vice president Dr. Ning Zhao, member of the senior management of the Company Dr. Jingchao Dong and the persons-in-charge of the human resources department, the finance department and the legal department, to individually handle all matters in relation to the 2022 Scheme with full authority, including but not limited to:

- (a) matters in relation to the 2022 Scheme as set out in paragraphs (i) to (xi) above;
- (b) on behalf of the Company, execute all documents in relation to the operations of and other matters of the 2022 Scheme, or providing instructions to the Trustee in relation to its operations, the execution of relevant documents in relation to the setting up of the accounts, operations of the accounts, and the setting up and operations of the cash securities account with Computershare Hong Kong Investor Services Limited under the name of the Company, the release of Award Shares for the purpose of the vesting of the Awards, or the sale of Award Shares on-market at the prevailing market price and pay the proceeds arising from such sale to Selected Participants, or directing and procuring the Trustee to release the Award Shares to the Selected Participants by transferring the Award Shares to the Selected Participants as determined by them from time to time, and confirming, allowing and approving all preceding matters arising from or in relation to the Trust Deed and the plan management agreement; and
- (c) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board and/or the Delegatee shall be valid for the Award Period.

#### **IV. INFORMATION ON THE GROUP**

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

#### **V. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE 2022 SCHEME AND THE GRANT OF AWARDS TO CONNECTED SELECTED PARTICIPANTS**

Please refer the section headed “I. Proposed Adoption of The 2022 H Share Award and Trust Scheme — Purposes of the 2022 Scheme” in this announcement. The Directors are of the view that the adoption of the 2022 Scheme will realize the aforesaid goals, and that the terms and conditions of the 2022 Scheme are normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of the grant of Awards to the Connected Selected Participants, the Directors, having considered the contribution of the Connected Selected Participants to the Company and the aforesaid goals, are of the view that the grant of Awards to the Connected Selected Participants is a transaction entered into on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **VI. IMPLICATIONS OF THE 2022 SCHEME UNDER THE LISTING RULES**

The 2022 Scheme involves no issue of new shares or granting of option for any new securities of the Company. Thus it does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules.

The Connected Selected Participants as at the date of this announcement is either a director, supervisor or chief executive of the Company and/or its subsidiaries or their respective associate, and each of the Connected Selected Participants is as such a connected person of the Company pursuant to Chapter 14A of the Listing Rules. However, as (i) the grant of Awards to the Connected Selected Participants who are Directors (namely Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Mr. Zhaohui Zhang and Dr. Ning Zhao) forms part of their remuneration packages and is therefore fully exempt from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules; and (ii) based on the aggregate market value of the maximum number of Award Shares underlying the Awards proposed to be granted to each of the remaining Connected Selected Participants (namely Dr. Shuhui Chen, Ms. Ming Shi, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He, Ms. Minfang Zhu, Mr. Hongping Wan and Mr. Huitian Lv) calculated with reference to the closing price of the H Shares of HK\$95.85 as quoted on the Stock Exchange on the trading day before the date of this announcement which has also been particularized in the table above, all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the abovementioned aggregate market value are less than 0.1%, while the Company will also ensure that such applicable percentage ratios shall remain less than 0.1% at the time of grant with reference to the actual number of Award Shares underlying the Award to be granted to the remaining Connected Selected Participants and the closing price of the H Shares as quoted on the Stock Exchange on the Grant Date, and as such the proposed grant of Awards to each of the remaining Connected Selected Participants constitutes de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Nevertheless, the Board determined that the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme shall be subject to approval by the Shareholders to further promote a high standard of corporate governance. As such, an ordinary resolution will be proposed at the EGM for the Shareholders to consider and approve the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme as a whole.

## VII. EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, the (i) the proposed adoption of the 2022 Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2022 Scheme.

The Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolutions in respect of (i) the proposed adoption of the 2022 H Share Award and Trust Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2022 Scheme. The Connected Selected Participants, who are also Shareholders, and their respective associates shall abstain from voting on the proposed ordinary resolution in respect of the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme and its related matters. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the other Shareholders has a material interest in (i) the proposed adoption of the 2022 Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2022 Scheme and is required to abstain from voting on such resolutions.

A circular of the Company containing, among other things, (i) further details of the 2022 Scheme; (ii) further details of the proposed grant of Awards to the Connected Selected Participants; and (iii) a notice convening the EGM, will be despatched to the Shareholders by August 31, 2022.

## DEFINITIONS

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

“2021 Scheme”	the 2021 H share Award and Trust Scheme proposed to be adopted by the Company in accordance with the rules governing the operation of the 2021 Scheme as well as the implementation procedures (as amended from time to time)
“2022 H Share Award and Trust Scheme” or “2022 Scheme”	the 2022 H Share Award and Trust Scheme proposed to be adopted by the Company in accordance with the 2022 Scheme Rules
“2022 Scheme Rules”	the rules governing the operation of the 2022 Scheme as well as the implementation procedures (as amended from time to time)
“A Share(s)”	domestic share(s) of the Company with nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage, stamp duty, any taxes, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the 2022 Scheme, or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to the 2022 Scheme Rules, the consideration receivable under the related scheme or offer
“Articles of Association”	the articles of association of the Company currently in force (as amended from time to time)
“associate”	shall have the meaning as set out in the Listing Rules
“Award Letter”	a letter issued by the Company to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the number of Award Shares underlying the Award, the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in compliance with the 2022 Scheme

“Award Period”	the period commencing on the date on which the Shareholders approved this Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved this Scheme
“Award Shares”	the H Shares granted to a Selected Participant in an Award
“Award”	an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board may determine in accordance with the terms of the 2022 Scheme Rules
“Board”	the board of directors of the Company, from time to time
“Bondholder(s)”	holder(s) of the Bonds
"Bonds"	the US\$300 million zero coupon convertible bonds due 2024 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司)
“connected person(s)”	shall have the meaning as set out in the Listing Rules
“Connected Selected Participants”	Selected Participants who are connected persons of the Group, being Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Dr. Shuhui Chen, Mr. Zhaohui Zhang, Dr. Ning Zhao, Ms. Ming Shi, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He, Ms. Minfang Zhu, Mr. Hongping Wan, Mr. Huitian Lv
“Delegatee(s)”	the Executive Committee or person(s) or board committee(s) to which the Board will delegate its authority
“Director(s)”	the director(s) of the Company, from time to time

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the proposed adoption of the 2022 Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2022 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2022 Scheme
“Eligible Employee(s)”	any individual, being a Director, supervisor, senior management member, mid-level manager, basic-level manager, backbone member of the scientists, other technicians, who is a full-time PRC or non-PRC employee of any members of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2022 Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Delegatee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2022 Scheme and such individual shall therefore be excluded from the scope of Eligible Employees
“employee”	an employee who has entered into a formal employment contract with the relevant member of the Group
“Executive Committee”	the executive committee of the company, as at the date of this announcement, comprising the Chairman and Chief Executive Officer Dr. Ge Li, the Vice Chairman and Global Chief Investment Officer Mr. Edward Hu, the co-Chief Executive Officer Dr. Steve Qing Yang, the co-Chief Executive Officer Dr. Minzhang Chen, the vice president Dr. Shuhui Chen, the vice president Mr. Zhaohui Zhang, the vice president Dr. Ning Zhao, member of the senior management of the Company Dr. Jingchao Dong and the persons-in-charge of the human resources department, financial department and legal department of the Company, to whom the Board will delegate its authority to administer the 2022 Scheme

“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter
“Group”	the Company and its subsidiaries from time to time, and the expression <i>member of the Group</i> shall be construed accordingly
“H Share(s)”	overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“on-market”	the acquisition of H Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“PRC”	the People’s Republic of China
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the 2022 Scheme, or such H Shares being deemed to be Returned Shares under the 2022 Scheme Rules
“RMB”	Renminbi, the lawful currency of the PRC

“Scheme Limit”	means the maximum size of the 2022 Scheme, being the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK\$2 billion, and in any event the maximum number of H Shares to be so acquired by the Trustee shall be determined by the Board and/or the Delegatee (pursuant to the authorization to be granted by the Shareholders) which shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder
“Selected Participant(s)”	any Eligible Employee who is approved for participation in the 2022 Scheme and has been granted any Award in accordance with the 2022 Scheme Rules
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including both A Share(s) and H Share(s)
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trust”	the trust constituted by the Trust Deed to service the 2022 Scheme

“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Vesting Date”	the date or dates, as determined from time to time by the Board or the Delegatee on which the Award (or part thereof) is to vest in the relevant Selected Participant, unless a different Vesting Date is deemed to occur in accordance with the 2022 Scheme Rules
“Vesting Notice”	the vesting notice to be sent to the relevant Selected Participant within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date
“Vesting Period(s)”	the vesting period(s) of the Awards granted under the 2022 Scheme
“%”	percent

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

Hong Kong, August 15, 2022

*As of the date of this announcement, the Board of the Company comprises Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, 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, Dr. Hetong Lou, Mr. Xiaotong Zhang and Mr. Dai Feng as independent non-executive Directors.*

\* *For identification purposes only*