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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 adviser.

If you have sold or transferred all your shares in WuXi AppTec Co., Ltd.\* (無錫藥明康德新藥開發股份有限公司), you should at once hand this circular, together with the enclosed Forms 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 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) WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2022;**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2022;**
- (3) FINANCIAL REPORT FOR THE YEAR 2022;**
- (4) PROPOSED 2022 PROFIT DISTRIBUTION PLAN;**
- (5) PROPOSED PROVISION OF EXTERNAL GUARANTEES FOR SUBSIDIARIES;**
- (6) PROPOSED RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2023;**
- (7) PROPOSED FOREIGN EXCHANGE HEDGING LIMIT;**
- (8) PROPOSED INCREASE OF REGISTERED CAPITAL;**
- (9) PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION;**
- (10) PROPOSED RE-ELECTION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS;**
- (11) PROPOSED RE-ELECTION AND PROPOSED ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR;**
- (12) PROPOSED DIRECTORS' REMUNERATION;**
- (13) PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE A SHARES AND/OR H SHARES;**
- (14) PROPOSED GRANTING OF REPURCHASE MANDATE TO REPURCHASE A SHARES AND/OR H SHARES;**
- (15) PROPOSED RE-ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISORS;**
- (16) PROPOSED SUPERVISORS' REMUNERATION;**
- (17) PROPOSED ADOPTION OF THE 2023 H SHARE AWARD AND TRUST SCHEME;**
- (18) PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE 2023 H SHARE AWARD AND TRUST SCHEME;**
- (19) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2023 H SHARE AWARD AND TRUST SCHEME; AND**
- (20) NOTICE OF 2022 AGM AND 2023 FIRST H SHARE CLASS MEETING**

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The notice convening the 2022 AGM and the notice convening the H Share Class Meeting to be held at Sheraton Shanghai Waigaoqiao Hotel, 28 Jilong Road, Pilot Free Trade Zone, Shanghai, China on Wednesday, May 31, 2023 at 2:00 p.m. are set out in this circular.

Whether or not you are able to attend the 2022 AGM and/or the H Share Class Meeting, please complete and sign the enclosed Forms of Proxy for use at the 2022 AGM and/or the H Share Class Meeting in accordance with the instructions printed thereon and return it to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the 2022 AGM and/or the H Share Class Meeting (i.e. not later than 2:00 p.m. on Tuesday, May 30, 2023 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the Forms of Proxy will not preclude Shareholders from attending and voting in person at the 2022 AGM and/or the H Share Class Meeting if they so wish.

This circular together with the Forms of Proxy are also published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wuxiapptec.com.cn](http://www.wuxiapptec.com.cn)).

References to time and dates in this circular are to Hong Kong time and dates.

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## EXPECTED TIMETABLE

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*The expected timetable for the 2022 Profit Distribution, which is subject to Shareholders' approval of the 2022 Profit Distribution Plan at the 2022 AGM, as set forth below is indicative only and has been prepared on the assumption that all conditions of 2022 Profit Distribution will be fulfilled. Any consequential changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.*

Last day of dealings in H Shares on a cum-entitlement basis . . . . . Friday, June 2, 2023

First day of dealings in H Shares on an ex-entitlement basis . . . . . Monday, June 5, 2023

Latest time for lodging transfer documents of H Shares for  
entitlement to the 2022 Profit Distribution. . . . . 4:30 p.m., Tuesday, June 6, 2023

Book closure period for determining H Shareholders' entitlement  
to the 2022 Profit Distribution<sup>(Note 1)</sup> . . . . . Wednesday, June 7, 2023  
to Tuesday, June 13, 2023<sup>(Note 2)</sup>

Record date for determining H Shareholders' entitlement to the  
2022 Profit Distribution . . . . . Tuesday, June 13, 2023

Register of H Shareholders of the Company reopens . . . . . Wednesday, June 14, 2023

*Notes:*

1. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
  - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon, the latest time for lodging transfer documents will remain at 4:30 p.m. on the same Business Day;
  - (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m., the latest time for lodging transfer documents will be rescheduled to 4:30 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.
2. Both days inclusive.

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## DEFINITIONS

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“2018 A Share Incentive Plan”	the share incentive scheme adopted by the Company on August 22, 2018, the principal terms of which are summarized in the Prospectus in “Appendix VI — Statutory and General Information — 2. Further Information about our Business — B. Share Incentive Schemes — (A) 2018 WuXi AppTec A Share Incentive Scheme”
“2019 A Share Incentive Plan”	2019 Restricted A Shares and Stock Option Incentive Plan of the Company adopted on September 22, 2019, the details of which are disclosed in the circular of the Company dated August 5, 2019
“2021 Profit Distribution”	the proposed distribution of cash dividend of RMB5.1740 for every 10 Shares (inclusive of tax) under the 2021 Profit Distribution Plan
“2021 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2021 which includes the 2021 Profit Distribution
“2022 AGM” and “AGM”	the annual general meeting of the Company to be held at Sheraton Shanghai Waigaoqiao Hotel, 28 Jilong Road, Pilot Free Trade Zone, Shanghai, China on Wednesday, May 31, 2023 at 2:00 p.m. (or any adjournment thereof), to consider and, if appropriate, approve the resolutions contained in the notice of the meeting which are set out on pages AGM-1 to AGM-12 of this circular, or any adjournment thereof
“2022 H Share Award and Trust Scheme” or “2022 Scheme”	the H Share award and trust scheme adopted by the Company in accordance with the 2022 Scheme Rules on October 13, 2022
“2022 Profit Distribution”	the proposed distribution of cash dividend of RMB8.9266 for every 10 Shares (inclusive of tax) under the 2022 Profit Distribution Plan
“2022 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2022 which includes the 2022 Profit Distribution

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## DEFINITIONS

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“2022 Scheme Rules”	the rules governing the operation of the 2022 Scheme as well as the implementation procedures (as amended from time to time)
“2023 H Share Award and Trust Scheme” or “2023 Scheme”	the 2023 H Share award and trust scheme proposed to be adopted by the Company in accordance with the 2023 Scheme Rules
“2023 Scheme Rules”	the rules governing the operation of the 2023 Scheme as well as the implementation procedures (as amended from time to time)
“A Share(s)”	ordinary share(s) of the Company with nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
“A Shareholder(s)”	the holder(s) of A Shares
“A Share Class Meeting”	the first A Share class meeting of the Company in 2023
“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 2023 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 2023 Scheme Rules, the consideration receivable under the related scheme or offer
“Articles of Association”	the articles of association of the Company currently in force
“associate”	shall have the meaning as set out in the Listing Rules
“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 2023 Scheme Rules

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## DEFINITIONS

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“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 accordance with the 2023 Scheme
“Award Period”	the period commencing on the date on which the Shareholders approved the 2023 Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2023 Scheme
“Award Shares”	the H Shares granted to a Selected Participant in an Award
“Board” or “Board of Directors”	the board of Directors of the Company
“Bondholder(s)”	holder(s) of the Bonds
“Bonds”	the US\$300 million zero coupon convertible bonds due 2024 of the Company which were previously listed on the Stock Exchange (former Bond name: WXAT B2409; former Bond Stock Code: 6015) up to the closure of business on April 17, 2023
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Class Meetings”	the A Share Class Meeting and H Share Class Meeting
“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
“connected person(s)”	shall have the meaning as set out in the Listing Rules

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## DEFINITIONS

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“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, Mr. Zhaohui Zhang, Dr. Shuhui Chen, Dr. Richard Connell, Dr. David Chang, Ms. Ming Shi, Dr. Hao Wu, Mr. Joseph Beckman, Mr. Albert Bristow, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Hongping Wan, Ms. Jingna Kang and Ms. Minfang Zhu
“Conversion Share(s)”	the H Share(s) to be issued upon the conversion of Bonds
“Delegate(s)”	the Executive Committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2023 Scheme
“Director(s)”	the director(s) of the Company
“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 2023 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 2023 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

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## DEFINITIONS

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“Executive Committee”	the executive committee of the Company which, as at the Latest Practicable Date, comprises 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, finance department and legal department of the Company, to whom the Board will delegate its authority to administer the 2023 Scheme
“Forms of Proxy”	the forms of proxy of the Company in respect of the resolutions set out in the notice of AGM and the notice of the H Share Class Meeting
“Founding Individuals”	Dr. Ge Li, Dr. Ning Zhao, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu
“General Mandate”	an unconditional and general mandate proposed to be granted to the Directors to allot, issue or deal with additional A Shares and/or H Shares of not exceeding 20% of the total number of issued A Shares and/or H Shares as at the date of passing of the proposed special resolution contained in item 18 of the notice of the 2022 AGM
“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)”	the overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange

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## DEFINITIONS

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“H Shareholder(s)”	the holder(s) of H Shares
“H Share Class Meeting”	the first H Share class meeting of the Company of 2023 to be held on Wednesday, May 31, 2023 after the conclusion of the 2022 AGM and the A Share Class Meeting to consider and, if appropriate, approve the resolution contained in the notice of meeting which are set out on pages HCM-1 to HCM-5 of this circular, or any adjournment thereof
“H Share Registrar”	Tricor Investor Services Limited, the H Share registrar of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” and “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Selected Participants”	Selected Participants who are not the Connected Selected Participants
“Latest Practicable Date”	April 21, 2023, 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
“Nomination Committee”	the nomination committee of the Board
“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

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## DEFINITIONS

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“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated December 3, 2018
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors as set out in item 19 of the notice of the 2022 AGM and item 1 of the notice of the H Share Class Meeting
“Restricted A Share(s)”	the restricted A Shares granted by the Company under the 2018 A Share Incentive Plan and the 2019 A Share Incentive Plan
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the 2023 Scheme Rules, or such H Shares being deemed to be Returned Shares under the 2023 Scheme Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Limit”	means the maximum size of the 2023 Scheme, being the maximum number of H Shares that will be acquired by the Scheme 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 Scheme 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 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder

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## DEFINITIONS

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“Scheme Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Maples Trustee Services (Cayman) Limited, a company incorporated in the Cayman Islands and having its registered office at Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands
“Selected Participant(s)”	any Eligible Employee who is approved for participation in the 2023 Scheme and has been granted any Award in accordance with the 2023 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)
“Shanghai Stock Exchange”	Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	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)”	holder(s) of Share(s)
“Supervisor(s)”	member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time
“Trust”	the trust constituted by the Trust Deed to service the 2023 Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Scheme Trustee (as may be restated, supplemented and amended from time to time)

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## DEFINITIONS

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“US\$”	United States dollars, the lawful currency of the United States of America
“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 2023 Scheme Rules
“Vesting Notice”	the vesting notice to be sent to the relevant Selected Participant within a reasonable time period as agreed between the Scheme Trustee and the Board from time to time prior to any Vesting Date
“Vesting Period”	the vesting period(s) of the Awards granted under the 2023 Scheme

*In this circular, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter. Further, certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain paragraphs and tables in this circular may not be an arithmetic aggregation of the figures preceding them.*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Dr. Ge Li (Chairman)  
Mr. Edward Hu  
Dr. Steve Qing Yang  
Dr. Minzhang Chen  
Mr. Zhaohui Zhang  
Dr. Ning Zhao

*Non-executive Directors:*

Mr. Xiaomeng Tong  
Dr. Yibing Wu

*Independent Non-executive Directors:*

Dr. Jiangnan Cai  
Ms. Yan Liu  
Dr. Hetong Lou  
Mr. Xiaotong Zhang  
Mr. Dai Feng

*Registered Office:*

Mashan No. 5 Bridge  
Binhu District, WuXi  
Jiangsu Province  
PRC

*Headquarters and Principal Place  
of Business in the PRC:*

288 Fute Zhong Road  
Waigaoqiao Free Trade Zone  
Shanghai  
PRC

*Principal Place of Business in  
Hong Kong:*

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

April 27, 2023

*To the Shareholders*

Dear Sir/Madam,

- (1) WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2022;
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2022;
- (3) FINANCIAL REPORT FOR THE YEAR 2022;
- (4) PROPOSED 2022 PROFIT DISTRIBUTION PLAN;
- (5) PROPOSED PROVISION OF EXTERNAL GUARANTEES FOR SUBSIDIARIES;
- (6) PROPOSED RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2023;
- (7) PROPOSED FOREIGN EXCHANGE HEDGING LIMIT;
- (8) PROPOSED INCREASE OF REGISTERED CAPITAL;
- (9) PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION;
- (10) PROPOSED RE-ELECTION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS;
- (11) PROPOSED RE-ELECTION AND PROPOSED ELECTION OF INDEPENDENT  
NON-EXECUTIVE DIRECTOR;
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- (13) PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE A SHARES  
AND/OR H SHARES;
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AND/OR H SHARES;
- (15) PROPOSED RE-ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISORS;
- (16) PROPOSED SUPERVISORS' REMUNERATION;
- (17) PROPOSED ADOPTION OF THE 2023 H SHARE AWARD AND TRUST SCHEME;
- (18) PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS  
UNDER THE 2023 H SHARE AWARD AND TRUST SCHEME;
- (19) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE  
TO HANDLE MATTERS PERTAINING TO THE 2023 H SHARE AWARD  
AND TRUST SCHEME; AND
- (20) NOTICE OF 2022 AGM AND 2023 FIRST H SHARE CLASS 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 H Shareholders with information in respect of certain resolutions to be proposed at the 2022 AGM and the H Share Class Meeting to be held on Wednesday, May 31, 2023, and to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the 2022 AGM and the H Share Class Meeting. For the details of the proposed resolutions at the 2022 AGM and the H Share Class Meeting, please also refer to the notices of the 2022 AGM and the H Share Class Meeting enclosed with this circular.

### 2. WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2022

An ordinary resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the work report of the Board for the year 2022, the text of which is set out in Appendix I to this circular.

### 3. WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2022

An ordinary resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the work report of the Supervisory Committee for the year 2022, the text of which is set out in Appendix II to this circular.

### 4. FINANCIAL REPORT FOR THE YEAR 2022

An ordinary resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the Company's audited financial report for the year 2022 (the "**Financial Report 2022**"), the text of which is set out in Appendix III to this circular.

### 5. PROPOSED 2022 PROFIT DISTRIBUTION PLAN

An ordinary resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the proposed 2022 Profit Distribution Plan.

The Board proposed to make a cash dividend of RMB8.9266 (inclusive of tax) for every 10 Shares (representing an aggregate amount of RMB2,648,900,918.51 (inclusive of tax) based on the total issued share capital of the Company as at the Latest Practicable Date). The cash dividend will also be paid on a pro-rated basis for Shareholders who hold Shares in odd lot (i.e. RMB0.89266 per ordinary Share). The exchange rate to be used to convert the cash dividend from RMB to HK\$ will be the average of the medium rate of RMB to HK\$ announced by the People's Bank of China for five working days (the "**Medium Rate**") prior to and including May 31, 2023, the date on

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## LETTER FROM THE BOARD

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which the 2022 Profit Distribution is to be declared at the 2022 AGM. For illustration purpose, the Medium Rate at the Latest Practicable Date is RMB0.87647 to HK\$1. Hence, H Shareholders will receive HK\$10.1847 for every 10 H Shares held by them.

The 2022 Profit Distribution Plan is subject to the approval of the Shareholders by way of ordinary resolution at the 2022 AGM to be held on May 31, 2023.

In the event of change in the total issued share capital of the Company before the record date for determining Shareholders' entitlement to the 2022 Profit Distribution, dividends will be distributed according to the original dividend amount per share and the total dividend amount to be distributed to all Shareholders will be adjusted accordingly.

Subject to the arrangements under the Northbound Trading or Southbound Trading (defined below) as disclosed in detail below, the 2022 Profit Distribution will be declared according to the Articles of Association. Dividend on A Shares will be paid in Renminbi and dividend on H Shares will be paid in Hong Kong dollars.

### **Effect to the Shareholding upon Completion of the 2022 Profit Distribution Plan**

As the 2022 Profit Distribution Plan does not involve any allotment and issuance of new Shares by the Company, the completion of the 2022 Profit Distribution Plan will not have any effect on the shareholding structure of the Company.

### **Tax Arrangements in respect of the 2022 Profit Distribution**

In accordance with the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which came into effect on January 1, 2008 and last amend on April 23, 2019 and the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which was last amended and came into effect on December 29, 2018, and the "Notice on Issues in Relation to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Overseas Non-resident Enterprise Holders of H Shares" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated on November 6, 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders at a tax rate of 10%, when the Company distributes annual dividend to non-resident enterprise Shareholders whose names appear on the H Shares register of members. As such, any H Shares registered in the name of non-individual Shareholder, including shares registered in the name of HKSCC Nominees Limited, and other nominees, trustees, or other organizations and groups, shall be deemed to be H Shares held by non-resident enterprise

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## LETTER FROM THE BOARD

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Shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the PRC Ministry of Finance and the State Administration of Taxation on May 13, 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, the Company will not be required to withhold and pay any individual income tax on behalf of overseas individual Shareholders when the Company distributes the dividend to overseas individual Shareholders whose names appear on the H Share register of members.

### *Profit Distribution to Investors of Northbound Trading*

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the A Shareholders of the Company.

### *Profit Distribution to Investors of Southbound Trading*

For investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares of the Company.

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## LETTER FROM THE BOARD

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Shanghai-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知 (財稅[2014]81號)》), for dividends received by domestic individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shenzhen-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知 (財稅[2016]127 號) 》), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are suggested to consult their tax consultants regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and selling the Shares.

### **Closure of Register of Members**

In order to determine the list of H Shareholders who are entitled to the 2022 Profit Distribution, the Company's register of H Shareholders will be closed from Wednesday, June 7, 2023 to Tuesday, June 13, 2023, both days inclusive, during which period no transfer of H Shares will be effected. H Shareholders whose names appear on the Company's register of H Shareholders on Tuesday, June 13, 2023 are entitled to receive the 2022 Profit Distribution. In order to receive the 2022 Profit Distribution, H Shareholders whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H Share Registrar, Tricor Investor Services Limited, at or before 4:30 p.m. on Tuesday, June 6, 2023 at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

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## LETTER FROM THE BOARD

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### Warning of Risks of Dealing in the H Shares

H Shareholders should note that the existing H Shares are expected to be dealt in on an ex-entitlement basis for entitlement to the 2022 Profit Distribution from Monday, June 5, 2023. If the condition of the 2022 Profit Distribution (as set out above under the section headed “5. Proposed 2022 Profit Distribution Plan”) is not fulfilled, the 2022 Profit Distribution will not proceed. If in doubt, investors are recommended to consult their professional advisers.

### Reasons for the 2022 Profit Distribution

Based on the positive expectations on the future development of the Company, and with reference to the operating results and the overall financial status of the Company, the Board proposed the 2022 Profit Distribution so as to share the fruitful result of the Company’s business performance with the Shareholders.

### Further Issue of Securities

As at the Latest Practicable Date, the Company does not anticipate there is any public or private issue or placing of securities of the Company other than any options which may be issued pursuant to the 2019 A Share Incentive Plan.

## 6. PROPOSED PROVISION OF EXTERNAL GUARANTEES FOR SUBSIDIARIES

An ordinary resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the maximum amount of financial guarantees to be provided by the Company for certain subsidiaries of the Company, details of which are set out in Appendix IV to this circular.

## 7. PROPOSED RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2023

An ordinary resolution will be proposed at the 2022 AGM to consider and approve the re-appointment of Deloitte Touche Tohmatsu (a special general partnership) (德勤華永會計師事務所(特殊普通合夥)) as PRC financial report and internal control report auditors of the Company for the year 2023, and to consider and approve the re-appointment of Deloitte Touche Tohmatsu (德勤•關黃陳方會計師行) as offshore financial report auditors of the Company for the year 2023.

The remuneration paid to Deloitte Touche Tohmatsu (a special general partnership) (德勤華永會計師事務所(特殊普通合夥)) for providing domestic financial report and internal control auditing services for the Company within the scope of the consolidated financial statements for the year 2022 amounted to RMB3,410,000.00, and the remuneration paid to Deloitte Touche Tohmatsu

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## LETTER FROM THE BOARD

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(德勤 • 關黃陳方會計師行) for providing international financial report auditing services for the Company within the scope of the consolidated financial statements for the year 2022 amounted to RMB1,550,000.00.

It will also be proposed at the 2022 AGM that the Board be authorized to determine the remuneration of the PRC and offshore auditors for the year 2023 based on the actual work conducted.

### **8. PROPOSED FOREIGN EXCHANGE HEDGING LIMIT**

An ordinary resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the granting of limit on engaging in foreign exchange hedging, details of which are set out in Appendix V to this circular.

### **9. PROPOSED INCREASE OF REGISTERED CAPITAL**

Reference is made to the relevant announcement of the Company dated March 20, 2023 in relation to, among other things, the proposed increase of registered capital of the Company.

Mr. Edward Hu approved and agreed in writing the conversion of certain of the Bonds issued by the Company into an aggregate of 5,156,554 H Shares of the Company by the relevant Bondholders on September 5, 2022, February 2, 2023, March 6, 2023 and March 15, 2023, respectively.

From August 15, 2022 to January 19, 2023, the Company has completed the registration of a total of 402,145 A Shares, being the underlying shares of the exercised share options granted under the adjusted initial grant of the 2019 A Share Incentive Plan within the second vesting period.

Due to the departure of and failure to meet individual performance assessment standards by certain incentive participants under the 2018 A Share Incentive Plan and 2019 A Share Incentive Plan, a total of 662,228 Restricted A Shares were repurchased and cancelled and the relevant procedures were completed on January 5, 2023.

As a result of the abovementioned conversion of the Bonds, the exercise of share options and the repurchase and cancellation of Restricted A Shares, the Board to change the Company's registered capital from RMB2,957,191,839 divided into 2,957,191,839 Shares to RMB2,962,088,310 divided into 2,962,088,310 Shares.

A special resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the proposed increase of registered capital of the Company.

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## LETTER FROM THE BOARD

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### **10. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Reference is made to the relevant announcement of the Company dated March 20, 2023 in relation to, among other things, the proposed amendments to the Articles of Association. In light of the abovementioned proposed change in the registered capital of the Company, the Board proposed to make the relevant amendments to the Articles of Association.

The Company proposed that the Board be authorized to further authorize the Chairman or other persons as further authorized by him to handle relevant filing and registration procedures with competent authorities in relation to the proposed amendments to the Articles of Association.

A special resolution will be proposed at the 2022 AGM for the Shareholders to consider and approve the proposed amendments to the Articles of Association and the relevant authorization as aforementioned, details of which are set out in Appendix VI to this circular.

### **11. PROPOSED RE-ELECTION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS**

Reference is made to the relevant announcement of the Company dated March 20, 2023 in relation to the proposed re-election of executive and non-executive Directors. In accordance with Article 138 of the Articles of Association, the term of office of each of the Directors is three years. Upon expiry of such terms, the Directors, if eligible, may offer themselves for re-election. The term of office of the second session of the Board will expire on May 15, 2023. All members of the second session of the Board will continue to fulfill their respective responsibilities in accordance with the relevant laws and regulations as well as the Articles of Association on the number of Directors and the composition of the Board, until the re-election and/or election of Directors for the third session of the Board is completed at the AGM.

All the current executive and non-executive Directors being eligible for re-election, will offer themselves for re-election at the AGM.

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## LETTER FROM THE BOARD

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In accordance with the Articles of Association, the Board proposed the nomination for re-election of:

- (i) Dr. Ge Li (李革博士) (“**Dr. Li**”), Mr. Edward Hu (胡正國先生) (“**Mr. Hu**”), Dr. Steve Qing Yang (楊青博士) (“**Dr. Yang**”), Dr. Minzhang Chen (陳民章博士) (“**Dr. Chen**”), Mr. Zhaohui Zhang (張朝暉先生) (“**Mr. Zhang**”) and Dr. Ning Zhao (趙寧博士) (“**Dr. Zhao**”) as executive Directors of the third session of the Board; and
- (ii) Mr. Xiaomeng Tong (童小蒙先生) (“**Mr. Tong**”) and Dr. Yibing Wu (吳亦兵博士) (“**Dr. Wu**”) as non-executive Directors of the third session of the Board.

The term of office of each of the executive and non-executive Directors shall be three years commencing from the approval of their election by the Shareholders at the AGM.

Pursuant to the letters of appointment entered into between the Company and Dr. Li, Mr. Hu, Mr. Zhang, Dr. Zhao, Mr. Tong and Dr. Wu each dated November 26, 2018, the letter of appointment entered into between the Company and Dr. Yang dated May 15, 2020 and the letter of appointment entered into between the Company and Dr. Chen dated May 6, 2022, upon expiry of the term of office, their appointments will automatically be extended to a new term of office upon their re-election being approved by the Shareholders at the AGM. In addition, the remuneration of Dr. Li, Mr. Hu, Dr. Yang, Dr. Chen, Mr. Zhang, Dr. Zhao as executive Directors, and Mr. Tong and Dr. Wu as non-executive Directors shall be in line with the remuneration for the Directors for the third session of the Board to be approved by the Shareholders at the AGM (as further particularized below).

The biographical details of the abovementioned executive and non-executive Directors proposed for re-election at the AGM are set out in Appendix VII to this circular.

Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and approve the proposed re-election of Dr. Li, Mr. Hu, Dr. Yang, Dr. Chen, Mr. Zhang and Dr. Zhao as executive Directors of the third session of the Board; and Mr. Tong and Dr. Wu as non-executive Directors of the third session of the Board.

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## LETTER FROM THE BOARD

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### 12. PROPOSED RE-ELECTION AND PROPOSED ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Reference is made to the relevant announcement of the Company dated March 1, 2023 in relation to the proposed re-election and proposed election of independent non-executive Directors. Pursuant to the relevant requirement of the Rules of Independent Directors of Listed Companies published by the Shanghai Stock Exchange, independent directors of listed companies cannot serve consecutive terms of more than six years. As four of the independent non-executive Directors, namely Dr. Jiangnan Cai (蔡江南博士) (“**Dr. Cai**”), Ms. Yan Liu (劉艷女士) (“**Ms. Liu**”), Dr. Hetong Lou (婁賀統博士) (“**Dr. Lou**”) and Mr. Xiaotong Zhang (張曉彤先生) (“**Mr. Zhang**”), have been serving as independent directors of the Company for almost six years, they can no longer offer themselves for re-election. As the retirement of Dr. Cai, Ms. Liu, Dr. Lou and Mr. Zhang upon expiration of the term of office will lead to the number of independent directors and the composition of the Board falling below the requirements of Listing Rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, Dr. Cai, Ms. Liu, Dr. Lou and Mr. Zhang will continue to act as independent non-executive Directors until the proposed re-election and proposed election of independent non-executive Directors (as further particularised below) have been approved by the Shareholders at the AGM. Each of Dr. Cai, Ms. Liu, Dr. Lou and Mr. Zhang confirmed that he or she has no disagreement with the Board and the Company and there are no matters in relation to his or her retirement which need to be brought to the attention of the Shareholders or the Stock Exchange.

#### **Proposed re-election of independent non-executive Director**

The term of office of Mr. Dai Feng (馮岱先生) (“**Mr. Feng**”) as an independent non-executive Director of the second session of the Board will expire on May 15, 2023. Mr. Feng, being eligible for re-election, will offer himself for re-election at the AGM. In accordance with the relevant laws and rules in the Company Law of the People’s Republic of China and the Articles of Association, the Board, having taken into account the recommendations and qualification screening of the Nomination Committee, and upon the independent concurring opinion from existing independent directors of the Company, proposed the nomination for re-election of Mr. Feng as an independent non-executive Director of the third session of the Board.

The term of office of Mr. Feng as an independent non-executive Director of the third session of the Board will commence upon the approval by the Shareholders at the AGM and up to the end of the remainder of his consecutive six-year term as an independent director of a listed company as required by the Rules of Independent Directors of Listed Companies published by the Shanghai Stock Exchange.

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## LETTER FROM THE BOARD

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Pursuant to the letter of appointment entered into between the Company and Mr. Feng dated November 26, 2018, upon the expiry of the term of office, his appointment will automatically be extended to a new term of office upon his re-election being approved by the Shareholders at the AGM. In addition, the remuneration of Mr. Feng as an independent non-executive Director shall be in line with the remuneration for the Directors for the third session of the Board to be approved by the Shareholders at the AGM (as further particularized below).

### **Proposed election of independent non-executive Directors**

In light of the abovementioned retirement of Dr. Cai, Ms. Liu, Dr. Lou and Mr. Zhang upon expiration of their term of office, in accordance with the relevant laws and rules in the Company Law of the People's Republic of China and the Articles of Association, the Board, having taken into account the recommendations of and qualification screening of the Nomination Committee, and upon the independent concurring opinion from existing independent directors of the Company, proposed the nomination for election of Ms. Christine Shaohua Lu-Wong (盧韶華女士) (“**Ms. Lu-Wong**”); Dr. Wei Yu (俞衛博士) (“**Dr. Yu**”); Dr. Xin Zhang (張新博士) (“**Dr. Zhang**”); and Ms. Zhiling Zhan (詹智玲女士) (“**Ms. Zhan**”, and together with Ms. Lu-Wong, Dr. Yu, Dr. Zhang and Mr. Feng, the “**Proposed INEDs**”) as independent non-executive Directors of the third session of the Board.

The term of office of each of Ms. Lu-Wong, Dr. Yu, Dr. Zhang and Ms. Zhan shall be three years commencing from the approval by the Shareholders at the AGM.

### **Recommendation from the Nomination Committee**

In identifying suitable candidates for independent non-executive Director, the Nomination Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board. The factors considered by the Nomination Committee in assessing the suitability of a proposed candidate for independent non-executive Director include: (i) reputation for integrity; (ii) accomplishment and professional knowledge and industry experience which may be relevant to the Group; (iii) commitment in respect of available time, interest and attention to the businesses of the Group; (iv) perspectives, skills and experience that the individual can bring to the Board; (v) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; (vi) Board succession planning considerations and long term objectives of the Group; and (vii) the independence of such candidate with reference to, among other things, the requirements as set out in Rule 3.13 of the Listing Rules.

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## LETTER FROM THE BOARD

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The Nomination Committee had assessed and reviewed the written confirmation of independence of each of the Proposed INEDs based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that each of the Proposed INEDs remains independent in accordance with Rule 3.13 of the Listing Rules. The Nomination Committee also took into account the diversity aspects in respect of the re-election and election of the Proposed INEDs, with due regard for the benefits of diversity on the Board. In particular, Mr. Feng has tremendous investment expertise in the field of healthcare, which is of particular relevance to the supervision of the Group's strategy and performance. Ms. Lu-Wong has more than 15 years of experience working as the chief financial officer of listed Companies, which enables her to provide valuable and independent guidance to the Group as well as to assist in determining the nature and extent of acceptable risks while achieving the objectives of the Company. Dr. Yu has extensive professional experience in the field of health management and policy research. Dr. Zhang has rich professional knowledge and experience in accounting, and possesses strong business management expertise. Ms. Zhan is a lawyer who has extensive experience in legal and regulatory matters. Having considered the background and past experience of each of the Proposed INEDs as mentioned above and as set out in Appendix VIII of this circular, the Nomination Committee is of the view that they are appropriate candidates to stand for re-election and election, and their appointment would further enhance the Board's diversity and performance.

The Nomination Committee is also of the view that each of the Proposed INEDs will provide valuable contributions to the Company and will demonstrate their abilities to provide independent, balanced and objective view to the Company's affairs supported by their own perspectives, skills and experience.

Subject to the approval by the Shareholders at the AGM, the Company will enter into a letter of appointment with each of Ms. Lu-Wong, Dr. Yu, Dr. Zhang and Ms. Zhan in respect of his or her election as an independent non-executive Director of the third session of the Board. In addition, the remuneration of each of Ms. Lu-Wong, Dr. Yu, Dr. Zhang and Ms. Zhan as an independent non-executive Director shall be in line with the remuneration for the Directors for the third session of the Board to be approved by the Shareholders at the AGM (as further particularized below).

The biographical details of each of the Proposed INEDs proposed for re-election and election at the AGM are set out in Appendix VIII to this circular.

Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and approve the proposed re-election and election of the Proposed INEDs as independent non-executive Directors of the third session of the Board.

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## LETTER FROM THE BOARD

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Subject to their proposed election and proposed re-election being approved by the Shareholders at the AGM, Dr. Li, Mr. Hu, Dr. Yang, Dr. Chen, Mr. Zhang, Dr. Zhao, Mr. Tong, Dr. Wu and the Proposed INEDs will form the third session of the Board.

### **13. PROPOSED DIRECTORS' REMUNERATION**

An ordinary resolution will be proposed at the AGM for the Shareholders to consider and approve the remuneration of the Directors for the third session of the Board as follows.

For Directors of the third session of the Board who hold positions in the Company, his/her remuneration shall be determined by the existing remuneration package of his/her positions at the Company. For Directors of the third session of the Board who do not hold positions in the Company, he/she shall not receive any remuneration. The annual allowance for independent non-executive Directors of the third session of the Board shall be RMB400,000 (before tax). If the independent non-executive Director worked less than one year, his/her remuneration shall be calculated on a pro-rata and daily basis. The Company shall reimburse the independent non-executive Directors of the third session of the Board all necessary and actual expenses in relation to the participation of Board meetings, the general meetings of Shareholders and the exercise of their functions and powers in accordance with the relevant provisions of the Company Law of the PRC and the Articles of Association.

### **14. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE A SHARES AND/OR H SHARES**

In order to give the Company the flexibility to issue Shares if and when appropriate, a special resolution will be proposed at the 2022 AGM to approve the granting of the General Mandate to the Directors to allot, issue or deal with additional A Shares and/or H Shares of not exceeding 20% of the respective total number of issued A Shares and/or H Shares of the Company as at the date of passing of the proposed special resolution.

Further details of the special resolution to be passed with respect to the grant of General Mandate to issue A Shares and/or H Shares are set out in Appendix IX to this circular.

### **15. PROPOSED GRANTING OF REPURCHASE MANDATE TO REPURCHASE A SHARES AND/OR H SHARES**

In order to give the Company the flexibility to repurchase Shares if and when appropriate, a special resolution will be proposed at the 2022 AGM, the A Share Class Meeting and the H Share Class Meeting to approve the granting of the Repurchase Mandate to the Directors to repurchase A

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## LETTER FROM THE BOARD

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Shares and/or H Shares on the Shanghai Stock Exchange and the Hong Kong Stock Exchange of not exceeding 10% of the total number of issued A Shares or H Shares of the Company as at the date of passing of the proposed special resolution.

The Directors wish to state that they have no immediate plan to repurchase any A Shares or H Shares pursuant to the Repurchase Mandate save for potential repurchase of Restricted A Shares issued under the Company's employee incentive schemes from time to time. Pursuant to Rule 10.06(5) of the Listing Rules, the listing of all H Shares which are repurchased by the Company (whether on exchange or otherwise) shall be automatically cancelled upon repurchase. The Company will ensure that the documents of title of the repurchased H Shares are cancelled and destroyed as soon as practicable following settlement of any such repurchase.

Further details of the special resolution to be passed with respect to the grant of the Repurchase Mandate to repurchase A Shares and/or H Shares are set out in Appendix X to this circular. 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 granting of the Repurchase Mandate is set out in Appendix XI to this circular.

### **16. PROPOSED RE-ELECTION OF SHAREHOLDER OF REPRESENTATIVE SUPERVISORS**

In accordance with Article 202 of the Articles of Association, the term of office of each of the Supervisors is three years. Upon expiry of such term, the Supervisors, if eligible, may offer themselves for re-election. The term of office of the second session of the Supervisory Committee will expire on May 15, 2023. All members of the second session of the Supervisory Committee will continue to fulfill their respective responsibilities in accordance with the relevant laws and regulations as well as the Articles of Association on the number of Supervisors and the composition of the Supervisory Committee, until the re-election and/or election of Supervisors for the third session of the Supervisory Committee is completed at the AGM.

All the current Shareholder representative Supervisors being eligible for re-election, will offer themselves for re-election at the AGM.

In accordance with the Articles of Association, the Supervisory Committee proposed the nomination for re-election of Mr. Harry Liang He (賀亮先生) (“**Mr. He**”) and Mr. Baiyang Wu (吳柏楊先生) (“**Mr. Wu**”) as candidates of Shareholders representative Supervisors.

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## LETTER FROM THE BOARD

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In addition, Ms. Minfang Zhu (朱敏芳女士) (“**Ms. Zhu**”) will be proposed for re-election as an employee representative Supervisor at the employee meeting to be convened by the Company, which is not subject to the approval by the Shareholders at the AGM according to relevant provisions of the Articles of Association.

The term of office of each of the Shareholder and employee representative Supervisor shall be three years commencing from the approval of their election by the Shareholders at the AGM and at the employee meeting of the Company, respectively.

Pursuant to the letter of appointment entered into between the Company and Mr. He dated November 28, 2018 and the letter of appointment entered into between the Company and Mr. Wu dated August 31, 2020, upon expiry of the term of office, their appointments will automatically be extended to a new term of office upon their re-election being approved by the Shareholders at the AGM. Pursuant to the letter of appointment entered into between the Company and Ms. Zhu dated November 28, 2018, upon expiry of the term of office, her appointment will be automatically be extended to a new term of office upon her re-election being approved at the employee meeting of the Company. In addition, Supervisors’ remuneration shall be in line with remuneration of the Supervisors for the third session of the Supervisory Committee to be approved by the Shareholders at the AGM (as further particularized below).

The biographical details of the above Shareholder representative Supervisors proposed for re-election at the AGM and Ms. Zhu are set out in Appendix XII to this circular.

Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and approve the proposed re-election of Mr. He and Mr. Wu as Shareholders representative Supervisors for the third session of the Supervisory Committee. The term of office of each of the Shareholder and employee representative Supervisor shall be three years commencing from the approval of their election by the Shareholders at the AGM and at the employee meeting of the Company, respectively.

### **17. PROPOSED SUPERVISORS’ REMUNERATION**

An ordinary resolution will be proposed at the AGM for the Shareholders to consider and approve the remuneration of the Supervisors for the third session of the Supervisory Committee as follows.

For Supervisors of the third session of the Supervisory Committee who hold positions in the Company, his/her remuneration shall be determined by existing remuneration package of his/her positions at the Company. The annual allowance for Supervisors of the third session of the

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## LETTER FROM THE BOARD

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Supervisory Committee who do not hold positions in the Company shall be RMB150,000 (before tax). If such Supervisor worked less than one year, his/her remuneration shall be calculated on a pro-rata and daily basis.

### **18. PROPOSED ADOPTION OF THE 2023 H SHARE AWARD AND TRUST SCHEME**

As disclosed in the announcement of the Company dated April 24, 2023, the Board has proposed to adopt the 2023 Scheme and an ordinary resolution will be proposed at the AGM for the Shareholders to consider and approve the proposed adoption of the 2023 Scheme. The 2023 Scheme shall be effective upon the approval by the Shareholders at the AGM. The grant of Awards to the Selected Participants under the 2023 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. Please refer to the section headed “Grant of Awards” below for further details.

The full text of the 2023 Scheme Rules is set out in Appendix XIII to this circular.

#### **Purposes of the 2023 Scheme**

The purposes of the 2023 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 to the Company of the prudent management 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 management of the Company by aligning the interests of the management 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.

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## LETTER FROM THE BOARD

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### **Duration**

Subject to any early termination of the 2023 Scheme pursuant to the 2023 Scheme Rules, the 2023 Scheme shall be valid and effective for ten years commencing from the date on which the 2023 Scheme is approved by the Shareholders at the AGM (after which no further Awards will be granted), and thereafter for so long as there are non-vested Award Shares granted under the 2023 Scheme prior to the expiration of the 2023 Scheme, in order to give effect to the vesting of such Award Shares.

### **Source of Funds**

The source of funds for funding the 2023 Scheme is the internal funds of the Company.

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

The source of the Award Shares under the 2023 Scheme shall be H Shares to be acquired by the Scheme Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the 2023 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 Scheme Trustee to acquire H Shares through on-market transactions at the prevailing market price. The Scheme 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 Scheme 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 Scheme Trustee within 30 days of the date of completion of the transfer of the relevant H Shares to the Scheme Trustee.

The Company shall instruct the Scheme 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,

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## LETTER FROM THE BOARD

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for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Scheme Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

### **Scheme Limit**

Subject to the 2023 Scheme Rules, the Scheme Limit shall be the maximum number of H Shares that will be acquired by the Scheme Trustee through on-market transactions from time to time at 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 Scheme 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 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 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 Scheme 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 Scheme Trustee in order to (i) regulate the costs of the Company in setting up the 2023 Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the 2023 Scheme and the maximum number of H Shares underlying the 2023 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 the Latest Practicable Date of HK\$84.97 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 2023 Scheme would be 23,537,719 H Shares. As this is outside the abovementioned limit on the total number of H Shares which can be so acquired by the Scheme Trustee, the maximum number of H Shares that can be purchased for the purpose of the 2023 Scheme shall instead be such number of H Shares as determined by the Board and/or the Delegatee which shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 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 2023 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 Scheme Trustee.

The Company shall not make any further grant of Awards which will result in the aggregate number of H Shares underlying all grants made pursuant to the 2023 Scheme (excluding Award Shares that have been forfeited in accordance with the 2023 Scheme) to exceed the Scheme Limit without Shareholders' approval. The Scheme Limit shall not be subject to any refreshment.

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## LETTER FROM THE BOARD

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### Administration of the 2023 Scheme

The 2023 Scheme shall be subject to the administration of the following administrative bodies:

- (a) 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 2023 Scheme. The general meeting of the Shareholders may authorize the Board and/or the Delegatee to deal with all matters related to the 2023 Scheme to the extent of its authority;
- (b) the Board is the institution in charge of the administration of the 2023 Scheme in accordance with the 2023 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, revising and reviewing the 2023 Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the 2023 Scheme, the Board will submit the 2023 Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee may handle all matters related to the 2023 Scheme within the authorization by the general meeting of the Shareholders;
- (c) the independent non-executive Directors are the supervisory institution of the 2023 Scheme and shall evaluate and communicate their views considering the position of Shareholders on whether the 2023 Scheme facilitates the sustainable development of the Company and whether the 2023 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 2023 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
- (d) the Trust will be constituted to service the 2023 Scheme whereby the Scheme Trustee shall, subject to the relevant provisions of the Trust Deed 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 Scheme Trustee shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder.

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## LETTER FROM THE BOARD

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Pursuant to the 2023 Scheme Rules, the authority to administer the 2023 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 2023 Scheme by the Shareholders at the AGM, the Board will delegate to the Delegatee the authority to administer the 2023 Scheme, including the power to grant an Award under the 2023 Scheme.

The Company is of the view that the involvement of the Board (being Eligible Employees who may qualify to participate in the 2023 Scheme) is not contrary to the principles of good corporate governance for the following reasons: (i) the Directors who are existing Shareholders and/or who will be granted Awards under the 2023 Scheme will abstain from voting on the relevant Board and Shareholder resolutions; (ii) the Board comprises a sufficient number of independent non-executive Directors as required by the Listing Rules, who do not have material relationships with the Company and can provide independent oversight and constructive challenge to the Board on matters in connection with the administration of the 2023 Scheme; and (iii) the Directors are aware of and will fulfill their fiduciary duties to the Company and the Shareholders as a whole throughout the course of the 2023 Scheme.

### **Selected Participants of the 2023 Scheme**

Eligible Employees who may qualify to participate in the 2023 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 2023 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 2023 Scheme if he:

- (a) 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;
- (b) 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

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## LETTER FROM THE BOARD

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- (c) 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 the 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 2023 Scheme, the Company will transfer the necessary funds in the amount of not more than HK\$2 billion (being the Scheme Limit) for the Scheme 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 2023 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 such conditions cannot be satisfied, the relevant grant of Awards to such Selected Participants will not take effect and the Scheme 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 2024 H Share award and trust scheme of the Company (with terms and mechanism similar to the 2023 Scheme), the proposed adoption of which is expected to be made by the Company in the third quarter of 2024 (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, 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 Scheme 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 2023 Scheme;

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## LETTER FROM THE BOARD

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- (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.

### Conditions of the Grant of Awards

The grant of Awards to the Selected Participants shall be subject to the fulfilment of the conditions as determined by the Board and/or the Delegatee to be set out in the Award Letter. In this regard, the Board would like to inform the Shareholders that, if the 2023 Scheme is approved by the Shareholders, the Executive Committee of the Company, to whom the Board will delegate its authority to administer the 2023 Scheme, will set the conditions for the grant of Awards to the Selected Participants to take effect (the “**Conditions of Grant**”) as (i) the year-on-year growth of the revenue realized by the Group for the year 2023 being not less than 5%, and (ii) the year-on-year growth of the adjusted non-IFRS gross profit realized by the Group for the year 2023 being not less than 12%.

The Conditions of Grant are set with reference to the year-on-year growth of the revenue and the adjusted non-IFRS gross profit realized by the Group for year 2023. On March 20, 2023, the Company initially disclosed in its annual results announcement of the year ended December 31, 2022 that the revenue growth is expected to increase by of 5–7%, and the adjusted non-IFRS gross profit is expected to increase by 12–14% in 2023. The Conditions of Grant were thus correspondingly set at (i) the year-on-year growth of the revenue realized by the Group for the year 2023 being not less than 5%, and (ii) the year-on-year growth of the adjusted non-IFRS gross profit realized by the Group for the year 2023 being not less than 12%.

Subject to the approval of the resolutions in relation to the 2023 Scheme by the Shareholders at the AGM, if the Conditions of Grant are satisfied and the grant of Awards to the Selected Participants takes effect, the Awards shall vest in accordance with the criteria, conditions and

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## LETTER FROM THE BOARD

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schedule as further particularized in the 2023 Scheme Rules and the Award Letter. If the Conditions of Grant cannot be satisfied, the relevant grant of Awards to the Selected Participants will not take effect.

### **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 2023 Scheme are as follows:

- (A) For Awards to be granted to Selected Participants who are Eligible Employees as at the date on which the 2023 Scheme is approved by the Shareholders at the AGM:

	<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%

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## LETTER FROM THE BOARD

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- (B) For Awards to be granted to Selected Participants who (i) shall become Eligible Employees subsequent to the date on which the 2023 Scheme is approved by the Shareholders at the AGM; 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 2023 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 2023 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.

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## LETTER FROM THE BOARD

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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 2023 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.

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## LETTER FROM THE BOARD

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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 Scheme Trustee as Returned Shares for application towards future Awards in accordance with the 2023 Scheme Rules for the purpose of the 2023 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 Scheme 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 Scheme Trustee's ability to give effect to any such transfer to the Selected Participant, the Board or the Delegatee will direct and procure the Scheme 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 2023 Scheme Rules, barring any unforeseen circumstances, within a reasonable time period as agreed between the Scheme 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 Scheme Trustee and instruct the Scheme 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 Scheme 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.

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## LETTER FROM THE BOARD

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### **Interest in the Award Shares**

Any Award granted under the 2023 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 Scheme Trustee may exercise any voting rights attached to any H Shares held by the Scheme 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 Scheme Trustee for the benefit of the 2023 Scheme.

### ***Occurrence of certain events pertaining to the Company***

#### *Change in control and privatisation*

If there is an event of change in control (as defined under the Takeovers Code) of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, change of actual control of the Company involving reorganization of major assets, the Company no longer exists after merger with another company, or division of the Company, the Board or the Delegatee shall in its sole and absolute discretion determine whether the Vesting Dates of any unvested Awards will be accelerated. If the Vesting Dates of any unvested Awards are accelerated, the procedures as set out in the section headed “18. Proposed Adoption of the 2023 H Share Award and Trust Scheme — Vesting of the Awards — Transfer or sale of Award Shares” above shall apply except that the Vesting Notice will be sent to such Selected Participant based on the proposed Vesting Date as soon as practicable once the proposed Vesting Date is known. The Scheme Trustee shall transfer the Award Shares or pay the Actual Selling Price in cash, as the case may be, to the Selected Participant in accordance with the Vesting Notice.

Pursuant to the 2023 Scheme Rules, (i) no instructions may be given by a Selected Participant to the Scheme Trustee in respect of the Award and the Scheme Trustee shall not follow instructions given by a Selected Participant to the Scheme Trustee in respect of the Award; and (ii) neither the Selected Participant nor the Scheme Trustee may exercise any voting rights attached to any H Shares held by the Scheme Trustee under the Trust (including any Award Shares that have

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## LETTER FROM THE BOARD

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not yet vested). As such, neither the Selected Participant nor the Scheme Trustee has a right to accept or decline any offer in connection with a privatisation of the Company and in turn has no entitlement to the consideration of such offer.

For the Shareholders' information, regardless of whether the vesting of unvested Awards is accelerated, potential buyers will be required to make an appropriate offer to the Selected Participants holding unvested Awards to ensure that their interests are safeguarded and that there is equality of treatment pursuant to Rule 13.1 of the Takeovers Code. As such, potential buyers would need to make such offer at the "see-through" price in accordance with Practice Note 6 of the Takeovers Code, which shall be the same as the offer price given the Awards have no exercise price. In light of the above, the Company is of the view that the abovementioned accelerated vesting mechanism alone will not discourage potential buyers from making an offer or lower the premium paid to Shareholders in a takeover transaction.

### *Open offer and rights issue*

In the event the Company undertakes an open offer of new securities, the Scheme Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Scheme Trustee shall not take any step to exercise any nil-paid rights and shall sell such nil-paid rights in respect of any H Shares which are held by the Scheme Trustee (if there is an open market for such rights). The aggregate proceeds of such sale may be applied by the Scheme Trustee to purchase H Shares for the purposes of satisfying any further Awards to be from time to time made by the Company under the 2023 Scheme and to cover the reasonable costs and expenses of the Scheme Trustee in the performance of its duties under the Trust Deed.

### *Consolidation or sub-division of shares*

In the event the Company undertakes a consolidation or sub-division of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2023 Scheme for the Selected Participants. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

As the Scheme Limit is set with reference to the total amount of funds that it will provide to the Scheme Trustee to acquire H Shares through on-market transactions, as opposed to a precise number or percentage of the H Shares, no corresponding adjustment to the Scheme Limit is necessary in the event of consolidation or sub-division of the H Shares.

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## LETTER FROM THE BOARD

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### **Amendment or Termination of the 2023 Scheme**

#### *Amendment of the 2023 Scheme*

Subject to the Scheme Limit, the 2023 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 the 2023 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 Scheme 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 Scheme Trustee on that date.

#### *Termination of the 2023 Scheme*

The 2023 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 2023 Scheme prior to the expiration of the 2023 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 2023 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 2023 Scheme.

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**LETTER FROM THE BOARD**

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**19. PROPOSED GRANT OF AWARDS TO THE CONNECTED SELECTED PARTICIPANTS UNDER THE 2023 H SHARE AWARD AND TRUST SCHEME**

The Company proposes to grant Awards representing a maximum of 1,655,293 underlying Award Shares to 17 Connected Selected Participants as follows:

Name of Connected Selected Participants	Position	Maximum number of Award Shares underlying the Award <sup>(Note 1)</sup>	Appropriate percentage of the total number of H Shares as at the Latest Practicable Date	Approximate percentage to the total issued share capital of the Company as at the Latest Practicable Date	Aggregate market value of the maximum number of Award Shares underlying the Award as at the Latest Practicable Date <sup>(Note 2)</sup>
Dr. Ge Li	Executive Director, chairman and chief executive officer	529,473	0.1315%	0.0178%	HK\$41,669,525.10
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	187,522	0.0466%	0.0063%	HK\$14,757,981.40
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	209,583	0.0521%	0.0071%	HK\$16,494,182.10
Dr. Minzhang Chen	Executive Director, co-chief executive officer	264,737	0.0658%	0.0089%	HK\$20,834,801.90
Mr. Zhaohui Zhang	Executive Director, vice president	110,307	0.0274%	0.0037%	HK\$8,681,160.90
Dr. Shuhui Chen	Vice president	93,761	0.0233%	0.0032%	HK\$7,378,990.70

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**LETTER FROM THE BOARD**

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Name of Connected Selected Participants	Position	Maximum number of Award Shares underlying the Award <sup>(Note 1)</sup>	Appropriate percentage of the total number of H Shares as at the Latest Practicable Date	Approximate percentage to the total issued share capital of the Company as at the Latest Practicable Date	Aggregate market value of the maximum number of Award Shares underlying the Award as at the Latest Practicable Date <sup>(Note 2)</sup>
Dr. Richard Connell	Director of principal subsidiaries of the Company	36,769	0.0091%	0.0012%	HK\$2,893,720.30
Dr. David Chang	Director of principal subsidiaries of the Company	29,415	0.0073%	0.0010%	HK\$2,314,960.50
Ms. Ming Shi	Chief financial officer	55,153	0.0137%	0.0019%	HK\$4,340,541.10
Dr. Hao Wu	Director of principal subsidiaries of the Company	52,396	0.0130%	0.0018%	HK\$4,123,565.20
Mr. Joseph Beckman	Director of principal subsidiaries of the Company	18,384	0.0046%	0.0006%	HK\$1,446,820.80
Mr. Albert Bristow	Director of principal subsidiaries of the Company	14,708	0.0037%	0.0005%	HK\$1,157,519.60
Ms. Hui Xu	President of principal subsidiaries of the Company	27,577	0.0069%	0.0009%	HK\$2,170,309.90
Ms. Wendy J. Hu <sup>(Note 3)</sup>	Senior director of human resources	6,894	0.0017%	0.0002%	HK\$542,557.80

## LETTER FROM THE BOARD

Name of Connected Selected Participants	Position	Maximum number of Award Shares underlying the Award <sup>(Note 1)</sup>	Appropriate percentage of the total number of H Shares as at the Latest Practicable Date	Approximate percentage to the total issued share capital of the Company as at the Latest Practicable Date	Aggregate market value of the maximum number of Award Shares underlying the Award as at the Latest Practicable Date <sup>(Note 2)</sup>
Mr. Hongping Wan	Supervisor of principal subsidiaries of the Company	6,894	0.0017%	0.0002%	HK\$542,557.80
Ms. Jingna Kang	Supervisor of principal subsidiaries of the Company	8,273	0.0021%	0.0003%	HK\$651,085.10
Ms. Minfang Zhu	Employee representative Supervisor	3,447	0.0009%	0.0001%	HK\$271,278.90

*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 Scheme Trustee through on-market transactions from time to time at prevailing market price.
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 Latest Practicable Date, being HK\$78.70.
3. Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.

Five of the Connected Selected Participants, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen and Mr. Zhaohui Zhang, being executive Directors, and Dr. Ning Zhao, being an executive Director and the spouse of Dr. Ge Li, have declared their interests in the 2023 Scheme and abstained from voting on the relevant Board resolutions in relation to the 2023 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 2023 Scheme.

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## LETTER FROM THE BOARD

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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.

### **Grant of Awards to the Independent Selected Participants**

The Award Shares acquired by the Scheme Trustee for the purpose of the 2023 Scheme which are not underlying Award Shares of the Awards proposed to be granted to the Connected Selected Participants as abovementioned will be used by the Company as underlying Award Shares of the Awards which are expected to be granted to approximately 4,800 Independent Selected Participants. It is currently expected that an initial grant of Awards to Independent Selected Participants will take place within the coming one to two years, and further grant(s) of Awards to Independent Selected Participants may take place thereafter over the course of the duration of the 2023 Scheme. The Board or the Delegatee will, as and when appropriate, select Eligible Employees to be such Independent Selected Participants 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 Independent Selected Participant to the Group. As at the Latest Practicable Date, the list of Independent Selected Participants has not yet been determined and approved.

### **Information on the Group**

As a global company with operations across Asia, Europe, and North America, the Group provides a broad portfolio of R&D and manufacturing services that enable the pharmaceutical and healthcare industry around the world to advance discoveries and deliver groundbreaking treatments to patients. Through its unique business models, the Group's integrated, end-to-end services include chemistry drug CRDMO (Contract Research, Development and Manufacturing Organization), biology discovery, preclinical testing and clinical research services, and cell and gene therapies CTDMO (Contract Testing, Development and Manufacturing Organization), helping customers improve the productivity of advancing healthcare products through cost-effective and efficient solutions.

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## LETTER FROM THE BOARD

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### **Reasons for and benefits of the adoption of the 2023 Scheme and the grant of Awards to the Connected Selected Participants**

Please refer the section headed “18. Proposed Adoption of the H Share Award and Trust Scheme — Purposes of the 2023 Scheme” in this circular. The Directors are of the view that the adoption of the 2023 Scheme will realize the aforesaid goals, and that the terms and conditions of the 2023 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.

### **Implications under the Listing Rules**

The 2023 Scheme constitutes a share award scheme involving existing Shares of the Company as defined and regulated under Chapter 17 of the Listing Rules.

The Connected Selected Participants as at the Latest Practicable Date 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 and Mr. Zhaohui Zhang) 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, Dr. Richard Connell, Dr. David Chang, Ms. Ming Shi, Dr. Hao Wu, Mr. Joseph Beckman, Mr. Albert Bristow, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Hongping Wan, Ms. Jingna Kang and Ms. Minfang Zhu) calculated with reference to the closing price of the H Shares of HK\$78.70 as quoted on the Stock Exchange on the Latest Practicable Date 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

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## LETTER FROM THE BOARD

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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 2023 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 AGM for the Shareholders to consider and approve the proposed grant of Awards to the Connected Selected Participants under the 2023 Scheme as a whole.

### **20. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2023 H SHARE AWARD AND TRUST SCHEME**

In order to ensure the successful implementation of the 2023 Scheme, the Board proposed that, subject to the approval of the 2023 Scheme by the Shareholders at the AGM, the Shareholders also grant an authorization to the Board and/or the Delegatee to handle matters pertaining to the 2023 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 Scheme Trustee which shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 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 2023 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 2023 Scheme;

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## LETTER FROM THE BOARD

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- (vi) to sign, execute, amend and terminate all agreements and other relevant documents in connection with the 2023 Scheme, fulfill all relevant procedures in relation to the 2023 Scheme, and adopt other methods to implement the terms of the 2023 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 2023 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 2023 Scheme Rules and to resolve any issues and disputes arising from or in connection with the 2023 Scheme;
- (x) to exercise any other authorizations in relation to matters necessary to the implementation of the 2023 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 Scheme Trustee, pursuant to which the Scheme Trustee will provide trust services for the 2023 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 Hong Kong Investor Services Limited will provide plan management services in respect of the 2023 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 2023 Scheme by Computershare Hong Kong Investor Services Limited;
- (xii) to, during the validity period of such authorization, delegate its authority to administer the 2023 Scheme to the Executive Committee formed by individuals including, as at the Latest Practicable Date, 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

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## LETTER FROM THE BOARD

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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 2023 Scheme with full authority, including but not limited to:

- (a) matters in relation to the 2023 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 2023 Scheme, or providing instructions to the Scheme 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 Scheme 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.

An ordinary resolution will be proposed at the AGM for the Shareholders to consider and approve the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2023 H Share Award and Trust Scheme.

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## LETTER FROM THE BOARD

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### 21. THE 2022 AGM AND THE 2023 FIRST H SHARE CLASS MEETING

The 2022 AGM will be held at Sheraton Shanghai Waigaoqiao Hotel, 28 Jilong Road, Pilot Free Trade Zone, Shanghai, China on Wednesday, May 31, 2023 at 2:00 p.m., for the Shareholders to consider and, if thought fit, approve the aforesaid resolutions. The abovementioned resolutions will be proposed by way of ordinary and special resolutions at the 2022 AGM to be approved by the Shareholders. The voting in relation to such resolutions will be conducted by way of poll.

The Class Meetings will be held at Sheraton Shanghai Waigaoqiao Hotel, 28 Jilong Road, Pilot Free Trade Zone, Shanghai, China on Wednesday, May 31, 2023 at 2:00 p.m., for the Shareholders to consider and, if thought fit, approve the granting of the Repurchase Mandate to the Directors to repurchase A Shares and/or H Shares. The abovementioned resolution will be proposed by way of special resolution at the H Share Class Meeting to be approved by the H Shareholders. The voting in relation to such resolution will be conducted by way of poll.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must 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.

The notices of the 2022 AGM and the H Share Class Meeting are set out on pages AGM-1 to AGM-12 and HCM-1 to HCM-5 of this circular, respectively.

Resolutions Nos. 8, 9 and 11 of the 2022 AGM relate to the re-election and elections for the candidates of Directors and Shareholder representative Supervisors. Pursuant to the requirements of the Articles of Association and the Company's "Rules of Procedure for the Shareholders' General Meetings", cumulative voting system will be adopted for such resolutions. Pursuant to the requirement of Article 114 of the Articles of Association, cumulative voting system may be adopted for election of two or more Directors or Supervisors at Shareholders' general meetings. Pursuant to the Company's "Implementation Rules of Cumulative Voting System", during the election of Directors and Shareholder representative Supervisors at the Shareholders' general meeting, each Share entitled to vote carries a number of voting rights equivalent to the number of Directors or Shareholder representative Supervisors to be elected. A Shareholder may freely allocate its/his/her votes among the candidates for Directors and Shareholder representative Supervisors, either to allocate to a number of persons, or to vote all in favor of one person. The election of independent Directors (i.e. independent non-executive Directors), non-independent Directors (i.e. executive Directors and non-executive Directors) and Shareholder representative Supervisors shall be carried out separately and the number of cumulative votes shall not be used repeatedly. Please fill in the voting intention on resolution when filling the "ways of cumulative voting" as indicated below:

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## LETTER FROM THE BOARD

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- (i) In relation to Resolutions Nos. 8, 9 and 11 of the AGM, each Share held by a Shareholder will have the same number of voting rights which equals to the number of Directors or Shareholder representative Supervisors to be elected. For instance, if a Shareholder holds 1 million Shares and 8 executive Directors and non-executive Directors will be elected at this election, the aggregate number of votes which the Shareholder will have is 8 million (i.e. 1 million Shares x 8 = 8 million Shares) regarding Resolution No. 8; as 5 independent non-executive Directors will be elected at this election, the aggregate number of votes which the Shareholder will have is 5 million (i.e. 1 million Shares x 5 = 5 million Shares) regarding Resolution No. 9; as 2 Shareholder representative Supervisors will be elected at this election, the aggregate number of votes which the Shareholder will have is 2 million (i.e. 1 million Shares x 2 = 2 million Shares) regarding Resolution No. 11.
- (ii) Please fill in the sections entitled “Number of votes” with the number of votes the Shareholder intends to cast on each candidate of Director or Shareholder representative Supervisor. Please note that the Shareholder may cast its/his/her votes which equal to the number of Shares held by the Shareholder on every candidate of Director or Shareholder representative Supervisor; the Shareholder may also cast all its/his/her votes which represent the total number of Shares held by the Shareholder multiplied by the total number of Directors or Shareholder representative Supervisors to be elected on one candidate; or cast its/his/her votes which represent the total or part of number of Shares held by the Shareholder multiplied by the total number of Directors or Shareholder representative Supervisors to be elected on certain candidates. For example, if a Shareholder holds 1 million Shares, the number of its/his/her votes regarding Resolution No. 8 is 8 million. The Shareholder may choose to cast the 8 million votes equally amongst the 8 candidates of Directors, or to cast all its/his/her 8 million votes on one single candidate, or to cast on candidate A with 5 million votes, to cast on candidate B with 2 million votes, to cast the remaining 1 million votes on candidate C, and not cast any vote on other candidates.
- (iii) When the total votes, represented by the Shares held by the Shareholder multiplied by the number of Directors or Shareholder representative Supervisors to be elected, are used up after voting for a number of candidates, the Shareholder will no longer have votes for other candidates of Directors or Shareholder representative Supervisors. i.e. the total number of its/his/her votes cast on candidates of Directors or Shareholder representative Supervisors shall not exceed the aggregate number of votes to which the Shareholder is entitled.

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## LETTER FROM THE BOARD

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- (iv) Please take special note that if the total votes cast by the Shareholder for some candidates of Directors or Shareholder representative Supervisors exceed the number of votes to which the Shareholder is entitled, all the votes cast will be void. If the total votes cast by the Shareholder for some candidates of Directors or Shareholder representative Supervisors are less than the number of votes to which the Shareholder is entitled, the votes are valid and the remaining votes will be regarded as abstention votes. For example, if a Shareholder holds 1 million Shares, the number of votes which the Shareholder will have regarding Resolution No. 8 is 8 million: (a) if the Shareholder fills in “Number of votes” under a particular candidate with “8 million Shares”, the Shareholder has used up all the votes to which it/he/she is entitled, which results in the Shareholder having no votes for the remaining 7 candidates. Should the Shareholder fill in the other columns under Resolution No. 8 with any number of Shares (other than “0”), all the votes on Resolution No. 8 will be void; or (b) if the Shareholder fills in “Number of votes” under candidate A with “2 million Shares” and fill in “Number of votes” under candidate B with “1 million Shares”, the 3 million votes cast by the Shareholder are valid and the remaining 5 million votes will be regarded as abstention votes.
- (v) The seniority of candidates shall be determined by the number of votes provided that the number of directors and supervisors elected shall not be more than the number of vacancies. Candidates who have obtained more than half of the total cumulative effective votes of voting shareholders shall be elected. If the number of candidates who have obtained more than half of the total cumulative effective votes of voting shareholders exceeds the number of vacancies and two or more of such candidates obtaining the same number of votes, the candidates shall be elected based on their seniority over others. Candidates who have obtained the same number of votes shall only be elected through re-election with their seniority determined by the total number of votes. Where the number of elected Directors or Shareholder representative Supervisors in the first round of cumulative voting is less than the number of Directors or Shareholder representative Supervisors proposed to be elected, new rounds of voting are required to be held for election of those Directors or Shareholder representative Supervisors who do not have enough votes.
- (vi) When holding a new round of voting for Director or Shareholders representative Supervisor election in accordance with (v) above, the number of cumulative votes of Shareholders shall be recounted based on the number of candidates to be elected in each round of election.

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## LETTER FROM THE BOARD

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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 2023 H Share Award and Trust Scheme; (ii) the proposed grant of Awards to the Connected Selected Participants under the 2023 Scheme; and (iii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the 2023 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 2023 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 the resolutions to be proposed at the 2022 AGM and the H Share Class Meeting, and is required to abstain from voting at the 2022 AGM and the H Share Class Meeting for such resolutions.

An announcement on the poll results will be published by the Company after the 2022 AGM and the H Share Class Meeting in the manner prescribed under the Listing Rules.

Two Forms of Proxy for use at the AGM and the H Share Class Meeting are enclosed with this circular and such Forms of Proxy are also published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wuxiapptec.com.cn](http://www.wuxiapptec.com.cn)). To be valid, the Forms of Proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the AGM and the H Share Class Meeting (i.e. not later than 2:00 p.m. on Tuesday, May 30, 2023 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the Forms of Proxy will not preclude you from attending and voting at the AGM and/or and the H Share Class Meeting if you so wish.

The register of members of H Shares of the Company will be closed from Thursday, May 25, 2023 to Wednesday, May 31, 2023 (both days inclusive), during which no transfer of H shares will be effected for determining the entitlements of Shareholders to attend and vote at the AGM. In order to qualify as Shareholders to attend and vote at the AGM, holders of H Shares who are not registered must lodge all transfers of shares accompanied by the relevant share certificates with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, May 24, 2023.

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## LETTER FROM THE BOARD

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### 22. RECOMMENDATION

The Directors consider that all of the resolutions mentioned above are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions at the 2022 AGM and 2023 First H Share Class Meeting.

Yours faithfully,  
For and on behalf of the Board

**Dr. Ge Li**

*Chairman*

## WUXI APPTEC CO., LTD.

## Work Report of the Board of Directors for the Year 2022

In 2022, the board (the “**Board**”) of WuXi AppTec Co., Ltd. (the “**Company**”) fully and effectively carried out all the decisions considered and approved at the shareholders’ general meeting and performed its responsibilities in strict accordance with the Articles of Association of the Company (the “**Articles of Association**”) and the Rules of Procedures of the Board of Directors of the Company and other regulations. It also exercised the functions and powers other than those of the shareholders’ general meeting as stipulated under the Company Law of the People’s Republic of China and the Articles of Association, and continuously enhanced the corporate governance level of the Company. The works of the Board of the Company in 2022 are reported below:

**I. THE COMPANY’S OPERATION STATUS IN 2022****(I) Income and profit**

In 2022, the operating income of the Company was RMB3,935,477.78 ten thousand, representing a year-over-year (“**YoY**”) increase of 71.84%; net profit attributable to the shareholders of the Company was RMB881,371.30 ten thousand, representing a YoY increase of 72.91%; and net profit attributable to the shareholders of the Company after non-recurring profit and loss was RMB826,028.97 ten thousand, representing a YoY increase of 103.27%.

**(II) Principal business**

During the reporting period, the revenue from each business segment of the Company is as follows:

*Unit: RMB in ten thousand*

<b>Business segment</b>	<b>2022 Revenue</b>	<b>2021 Revenue</b>	<b>Percentage</b>
WuXi Chemistry	2,884,973.19	1,408,722.02	104.79%
WuXi Testing	571,865.34	452,511.13	26.38%
WuXi Biology	247,514.71	198,509.25	24.69%
WuXi ATU	130,800.19	102,640.12	27.44%
WuXi DDSU	96,962.94	125,103.99	-22.49%
Others	3,361.42	2,752.00	22.14%
<b>Total</b>	<b>3,935,477.78</b>	<b>2,290,238.51</b>	<b>71.84%</b>

\* Any discrepancies in the sum of data listed above with the total is due to rounding.

*(1) Chemistry Business (WuXi Chemistry)*

During the reporting period, the Company's chemistry business realized revenue of RMB2,884,973.19 ten thousand, representing a YoY growth of 104.8% as compared to the revenue of RMB1,408,722.02 ten thousand in the same period of 2021. Revenue from discovery chemistry services ("R") amounted to RMB721,322.87 ten thousand, representing a YoY growth of 31.3%, and revenue from development and manufacturing (D&M) services amounted to RMB2,163,650.32 ten thousand, representing a YoY growth of 151.8%. Excluding certain commercial projects, revenue from chemistry business grew strongly by 39.7% YoY. The revenue from new modalities-related services (TIDES) grew by 158.3% YoY to RMB2.037 billion. We fully leveraged our technology advantage in process development and pushed forward the strategy of "follow the molecule". In terms of discovery chemistry services ("R"), the Company's industry-leading small molecule drug discovery platform delivered more than 400,000 custom synthesized new compounds to our clients in the past twelve months. Through our small molecule discovery services, we enabled our customers to accelerate their research while generating opportunities for our downstream business units. As part of our "follow-the-customer" and "follow-the-molecule" strategies, we established trusted partnerships with our global customers, supporting the rapid and sustainable growth of our CRDMO business. The Company continued executing our "long-tail" strategy. Demand from "long-tail" customers in small molecule and new modality-related discovery services continued to grow. In 2022, we won 973 new molecules to our chemistry D&M, including 1 new molecule at the commercial stage. To date, our D&M pipeline consists of 2,341 molecules, including 50 in commercial stage, 57 in Phase III, 293 in Phase II, and 1,941 in Phase I and pre-clinical stages. D&M services for new modalities is gaining strong momentum. The number of TIDES (mainly oligo and peptides) D&M clients increased 81% YoY to 103 customers. The number of TIDES molecules increased 91% YoY to 189 molecules. Revenue from TIDES D&M business grew 337% YoY to RMB1.58 billion. Our TIDES business has a unique end to end CRDMO platform, enabling R&D and production of multiple complex conjugates. By February 2023, we have in total 27 oligo production lines, over 10,000 liter peptide solid-phase synthesizers, and an R&D team of over 1,000 people. Our late-stage and commercial project delivery capabilities are favored by customers, supporting large scale production with industry leading speed. Furthermore, our integrated API plus drug product (DP) platform have completed 16 Chemical Manufacturing and Control (CMC) projects in 2022. We continued our capacity expansion of WuXi Chemistry to meet customer demands. In 2022, we began operations in Changzhou Phase 3 facility, Changshu facility and Wuhan campus, which further enhanced our global integrated CRDMO platform capabilities and capacities. We continued the design and construction of facilities in Changzhou and Wuxi city in China, Delaware in the U.S. and Tuas in Singapore, aiming to better serve our global customers' future needs. Three sites located in

Changzhou, Shanghai Waigaoqiao and Wuxi city were awarded the latest sustainability rating by EcoVadis, all of which have obtained “Silver” sustainability ratings by EcoVadis with excellent results, representing a leading position in the industry.

*(2) Testing Business (WuXi Testing)*

During the reporting period, the Company’s testing business realized revenue of RMB571,865.34 ten thousand in 2022, representing a YoY growth of 26.4% as compared to the revenue of RMB452,511.13 ten thousand in the same period of 2021. Revenue from lab analysis and testing services amounted to RMB414,402.87 ten thousand, representing a YoY growth of 36.1%, and revenue from clinical CRO and SMO amounted to RMB157,462.47 ten thousand, representing a YoY growth of 6.4%. The Company provides a full range of drug testing services for our customers, including drug metabolism and pharmacokinetics (DMPK), toxicology, and bioanalysis for drug development testing as well as medical device testing. We provide customers with high-quality services, realize “one report for global submission”, and enable customers to save time, reduce costs and increase efficiency. By maintaining close collaborative relationships with our customers based on our “follow-the molecule” and “follow-the-customer” strategies, existing customers account for over 60% of our customer base. We leveraged our integrated platform through the WIND service platform, and integrated pre-clinical pharmacodynamics, pharmacokinetics, safety evaluation, and application writing and filing to provide a one-stop service for customers in respect of new drug R&D and filing globally so as to accelerate their process of new drug R&D. In respect of drug safety evaluation business, revenue maintained significant growth momentum as compared to the same period of last year and achieved strong revenue growth of 46% YoY. We maintained our industry-leading position in Asia-Pacific for drug safety evaluation services that meet the highest global regulatory requirements. Our medical device testing business has turned around and recorded a YoY growth of 33% in 2022. On the capacity expansion side, 55,000 square meters laboratory are under construction in Suzhou and Qidong for 2023 delivery. In terms of clinical CRO and SMO services, the Company provided services to approximately 200 projects in respect of clinical CRO services, enabling our customers to obtain 15 IND approvals. For clinical SMO services, the Company maintained Number one leadership position in China and continued to grow. SMO business continued to gain market share in multiple therapeutic areas (lung cancer, breast cancer, dermatology, cardiovascular disease, ophthalmology, rheumatology, and nervous system etc.). In 2022, revenue from SMO business grew 23.5% and backlog grew 35.6% YoY. As at the end of 2022, the SMO business maintained approximately 4,700 staff across around 150 cities in China, providing services at more than 1,000 hospitals. In 2022, SMO supported 35 new drug approvals. Meanwhile, our clinical CRO and SMO businesses leverage the strength of our Lab Testing platform to drive conversion. By leveraging our strong pre-clinical testing services, we have successfully converted 17 pre-clinical projects to clinical projects in 2022.

**(3) *Biology business (WuXi Biology)***

During the reporting period, the biology business realized revenue of RMB247,514.71 ten thousand in 2022, representing a YoY growth of 24.7% as compared to the revenue of RMB198,509.25 ten thousand in the same period of 2021. The Company has one of the largest discovery biology enabling platform, with more than 3,000 experienced scientists who provide comprehensive biology services and solutions covering all major stages and therapeutic areas of drug discovery. The Company has established three centers of excellence for non-alcoholic steatohepatitis (NASH), anti-viral, neuroscience and aging. Both our cancer discovery service and our rare and immune disease service continued to grow, providing customers with integrated high-quality services from target discovery to clinical biomarker detection. The Company has a leading DNA Encoded Library (DEL) and hit compound generation platform with over 90 billion compounds, 6,000 unique proprietary scaffolds and 35,000 building blocks, providing service for more than 1,500 customers. A customer advanced a project into clinical stage in 2022 based on the hits generated using our DEL screening technology. This was the first reported clinical candidate from our DEL hits, which is also an important validation of our platform. The Company continues to build its biology capabilities for new modalities, including target protein degradation, nucleic acid based and conjugated modalities, oncolytic virus, vector platforms, and novel drug delivery vehicles. In 2022, revenue from new modalities grew strongly by 90% YoY, and its revenue contribution grew to 22.5% in 2022 from 14.6% in 2021, suggesting that new modalities-related biology services have become an increasingly important growth driver.

**(4) *Cell and gene therapy CTDMO business (WuXi ATU)***

During the reporting period, the Company's cell and gene therapy CTDMO business realized revenue of RMB130,800.19 ten thousand in 2022, representing a YoY increase of 27.4% as compared to the revenue of RMB102,640.12 ten thousand in the same period of 2021. Revenue from Testing service grew 36%, and revenue from development service grew 43%. The Company focused on improving our CTDMO integrated enabling platform, and provided development and manufacturing services for 68 projects, including 50 pre-clinical and Phase I projects, 10 Phase II projects, and 8 Phase III projects (2 projects have filed biological license application (BLA), and 2 projects are in BLA preparation stage). For the 2 projects filed for BLA, one is a Tumor Infiltrating Lymphocyte (TIL) product for a US client, which is the world's first innovative TIL-based therapy to be approved by FDA, and the other one is Lentiviral Vector (LVV) used in a CAR-T product in China for a Chinese client. If they proceed as planned, the Company expects to have commercial stage projects in the second half of 2023. Our unique CTDMO platform has driven us to capture significant business opportunities. In 2022, the Company signed a technology transfer agreement to manufacture a blockbuster commercial CAR-T product. In August, the Company signed a Licensing Agreement with Janssen for TESSA™.

**(5) Domestic Discovery Service Unit (WuXi DDSU)**

During the reporting period, the Company's domestic new drug discovery services business realized revenue of RMB96,962.94 ten thousand in 2022, representing a YoY decrease of 22.5% as compared to RMB125,103.99 ten thousand in the same period of 2021. The revenue decline was mainly due to our business transition to focus on fewer but more innovative projects to meet customers' demand for novel drug candidates. The future revenue growth will gradually come from royalty income. In 2022, our success-based drug discovery service unit filed INDs for 28 drug candidates and obtained 34 Clinical Trial Approvals (CTAs). As at the end of 2022, we have cumulatively submitted 172 new chemical entity IND filings and obtained 144 CTAs, with 1 project in new drug application (NDA) review stage, 7 projects in Phase III, 24 projects in Phase II, and 75 projects in Phase I. And by March 20, 2023, we have 2 projects in NDA review stage. We will begin receiving royalty income once our customers launch these products in the market. We expect to start receiving royalty income from approved products beginning 2023, which is estimated to grow with about 50% CAGR over the next 10 years as more and more products commercialized by DDSU customers. Currently, we support 15 pre-clinical projects for customers in new modalities that include Peptide/Peptide-Drug-Conjugation (PDC), protein degraders and oligo. Several of these projects have filed IND in 2022, and multiple other projects are expected to file IND in early 2023.

**II. REVIEW OF THE MAIN WORKS OF THE BOARD OF DIRECTORS IN 2022****(I) Conscientiously performing the obligations of the Board of Directors, and giving full play to the decision-making power of the board on major issues**

The Board fully and effectively carried out all the decisions considered and approved at the shareholders' general meeting and performed its responsibilities in strict accordance with the Company Law, the Securities Law, the Governance Guidelines for Listed Companies and other relevant laws and regulations, the listing rules of the stock exchange where the Company's shares are listed, and the internal rules and management systems of the Company, including the Articles of Association. It also exercised the functions and duties other than those of the shareholders' general meeting as stipulated under the Company Law and the Articles of Association, and examined the key issues in the operation and development of the Company and prudently made decisions according to the laws.

In 2022, the Board held 11 meetings (including 4 regular meetings and 7 extraordinary meetings) and considered 63 proposals, including: (1) proposals relating to works of the Board of Directors, Chief Executive Officer and co-chief executive officer, including Work Report of the Board of Directors for 2021 and Work Report of the Chief Executive Officer and co-chief

executive officer for 2021; (2) proposals relating to regular reports, including the annual reports, interim reports and quarterly reports; (3) proposals relating to the financial management of the Company, including Financial Report, Profit Distribution Plan, Deposit and Use of Funds Raised, External Guarantee, Re-appointment of Domestic and Overseas Accounting Firms, Foreign Exchange Hedging Business Carried Out by the Company, Cash Management, Connected Transactions and Issues relating to the Changes of Fundraising Projects; (4) proposals relating to corporate governance, such as Internal Control Report, ESG Report, Set Up of Long-term Environmental Targets of the Company, Changes of Registered Capital and Amendments on the Articles of Association and other Systems; (5) proposals relating to the Directors and Company Secretary, including Election of Members of the Second Session of the Board of Directors and Change of Joint Company Secretary; (6) proposals relating to equity incentives (including incentive plans), including unlock, exercise, adjustment, repurchase and cancellation of each batch of equity incentive plans over the years and the implementation of the H share award and trust schemes; and (7) other proposals submitted to the general meeting of shareholders to authorize the Board, including the grant of general mandate for additional issue of A Shares and/or H Shares of the Company, the grant of general mandate for repurchase of A Shares and/or H Shares of the Company and the grant of mandate for issue of onshore and offshore debt financing instruments.

**(II) Submitting Major Issues to general meeting for deliberation and strictly implementing the relevant resolutions of the general meeting**

The Board earnestly performed the obligations as the general meeting convener according to the Company Law and other relevant laws and regulations, listing rules of the stock exchange where the Company's shares are listed and the internal rules and management systems of the Company, including the Articles of Association, in order to ensure all Shareholders can exercise their rights according to laws.

In 2022, the Board convened 4 general meetings, namely Annual General Meeting for 2021, the First A Share Class Meeting for 2022, the First H Share Class Meeting for 2022 and the First Extraordinary General Meeting for 2022. Proposals considered involved the Reports of the Board of Directors and the Supervisory Committee, financial report, profit distribution plan, external guarantee, re-appointment of domestic and overseas accounting firms, foreign exchange hedging business carried out by the Company, issues relating to the fundraising projects, changes of registered capital, amendments on the articles of association and other systems, election of members of the second session of the Board of Directors, the implementation of the 2022 H Share Award and Trust Scheme, and other proposals submitted to the general meeting of shareholders to authorize the Board.

The Board was able to strictly implement the resolutions adopted by the general meeting and fully implement the resolutions.

### **(III) Performance of duties by the special committees under the Board**

The Board has four special committees, namely the Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. During the Reporting Period, four special committees held 15 meetings in total as follows:

The Strategy Committee held 3 meetings and mainly reviewed the financial Report of the Company, the deposit and usage of funds raised, external guarantees, foreign exchange hedging business carried out by the Company, cash management, additional issue of H Shares of the Company and issues relating to fundraising projects according to the Rules of Procedures for the Strategy Committee of the Board of Directors.

The Audit Committee held 4 meetings and mainly reviewed the regular reports (including financial reports), profit distribution plan, the deposit and usage of funds raised, re-appointment of domestic and overseas accounting firms, connected transactions and internal control report according to the Rules of Procedures for the Audit Committee of the Board of Directors.

The Remuneration and Appraisal Committee held 7 meetings and mainly reviewed the unlock, exercise, adjustment, repurchase and cancellation of each batch of equity incentive plans over the years and the implementation of the H share award and trust schemes according to the Rules of Procedures for the Remuneration and Appraisal Committee of the Board of Directors.

The Nomination Committee held 1 meeting and mainly reviewed the election of members of the second session of the Board of Directors according to the Rules of Procedures for the Nomination Committee of the Board of Directors.

Each special committee under the Board shall be responsible for overseeing the operation and management of the Company from different perspectives and relevant issues within their respective scope of authority. All committees have duly performed their duties and provided professional advices to the Board.

### **(IV) Performance of duties by Independent Directors of the Company**

The Company has five independent directors, namely Dr. Jiangnan Cai, Ms. Yan Liu, Dr. Hetong Lou, Mr. Xiaotong Zhang and Mr. Dai Feng.

In accordance with the Articles of Association and the Work Policies of the Independent Directors, the independent Directors of the Company conducted sufficient discussions on the operation in compliance and operation management of the Company including the operation of the Board of Directors and the special committees under the Board, the fulfillment of the commitments of the Company and its shareholders, implementation of information disclosure and protection of investors' legal interests; and paid full attention to and actively provided independent opinions on financial issues such as the external guarantee amounts, use of funds raised and own funds, operation of foreign exchange hedging business, the formulation of Profit Distribution Plan, and major decisions on the connected transactions, implementation of equity incentive plans, the H share award and trust schemes, re-appointment of accounting firm, appointment of Directors, internal control and internal control reports for 2022.

In 2022, the independent Directors of the Company performed their duties effectively. They paid attention to the information disclosure of the Company and actively studied relevant laws, regulations and rules. In addition, capitalizing on their own professional knowledge, they focused on, and actively participated in, the development of the Company and made valuable suggestions on the compliant operation and internal control of the Company. The efficiency of decision-making of the Company has been improved.

**(V) Actively participating in compliance training to improve listing compliance awareness of Directors**

To meet the regulatory requirements on listing and strengthen the ability of Directors to perform their duties, the Board of Directors has, based on the Company Law and other relevant laws and regulations, listing rules of the stock exchange where the Company's shares are listed and the internal rules and management systems of the Company, including the Articles of Association, participated in the securities compliance trainings organized by Jiangsu Securities Regulatory Bureau, the Shanghai Stock Exchange and Listed Company Association in Jiangsu Province to further improve its securities compliance awareness and ensure the regulation of duty performance of Directors. During the reporting period, the Company organized 29 compliance training sessions for its Directors, supervisors and senior management. These training sessions covered the study of new regulations relating to securities markets, trading of listed shares, compliant operation of listed companies, anti-corruption and code of conduct for Directors, and other aspects. In addition, the Company also promptly kept Directors abreast of the latest documents relating to laws and regulations and regulatory requirements for reference and research, to strengthen the compliance awareness and duty performance of Board members.

**(VI) Self-assessment of internal control**

The objective of our internal control is to reasonably ensure the legal compliance of our operation and management, security of our assets and the truthfulness and integrity of our financial reports and relevant information, and to enhance our operating efficiency and effectiveness so to facilitate the implementation of our development strategies.

According to the investigation on the major deficiency of internal control relating to our financial reports, as of the benchmark date of internal control assessment report, there was no material deficiency of internal control relating to our financial reports. The Board considers that the Company has maintained effective internal control for our financial reports in all material aspects according to the requirements of the corporate internal control regulation system and relevant rules.

According to the investigation on the major deficiency of internal control relating to our non-financial reports, as of the benchmark date of internal control assessment report, there was no material deficiency of internal control relating to our non-financial reports.

During the period between the benchmark date of internal control assessment report and the publication date of the internal control assessment report, there was no other factor that would affect the conclusion of the effectiveness of our internal control.

**(VII) Board independence evaluation**

The Company has established a complete set of effective policies to ensure that the Board can obtain independent views and opinions. The particulars are as follows: the Board consists of six executive Directors, two non-executive Directors and five independent non-executive Directors. The number of independent non-executive Directors accounts for more than one-third of the Board's composition in compliance with the requirements of the laws and regulations of the place where the shares of the Company are listed. The Board has established the Audit Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Nomination Committee, each of which has at least one independent non-executive Director as a committee member, with the chairman of the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee being independent non-executive Directors. Independent non-executive Directors oversee the development strategy of the Company and acquire a thorough understanding of the operation conditions of the Company through the above positions. They also actively participate in the shareholders' general meetings, Board meetings and committee meetings to carefully consider and approve various proposals, and express independent opinions on major issues of the Company. Independent non-executive Directors are not entitled to equity-based

compensation linked to their performance related factors, but are paid fixed allowances for independent non-executive Directors in accordance with the Directors' remuneration plan adopted at the shareholders' general meeting. The Company actively creates conditions for independent non-executive Directors to perform their duties, such as arranging separate meetings between independent non-executive Directors and the chairman of the Company each year to fully understand the ideas of the management and communicate and exchange independent opinions. The Company also arranges two separate meetings each year between the Audit Committee consisting entirely of independent non-executive Directors and the internal audit department of the Company and the external audit firm to fully understand the internal control risks of the Company and express independent opinions. In addition, the Company also allows independent non-executive Directors to engage intermediaries or professionals to provide professional opinions on the discharge of their duties, and the reasonable fees required are borne by the Company. Through the above effective mechanisms, the Company ensures that the Board can obtain independent views and opinions.

### **III. THE WORK PLAN OF THE BOARD OF DIRECTORS FOR 2023**

In 2023, the Board will adhere to the principle of being responsible for all shareholders, continuously play a central role in corporate governance and strive to be more diligent, responsible, standardized and effective in performing its duties. It will also be committed to implementing our unique CRDMO and CTDMO business models and global "long-tail customer" strategy so as to enhance our competitive strength. The Board will continue to improve our corporate governance structure and standard operation, perform the duties of the Board with excellence and efficiency, continuously enhance the quality of information disclosure, increase the interaction with investors through multiple channels, strengthen our internal control and risk management, and actively fulfill our corporate social responsibilities, in order to reward our investors with better business results.

**WUXI APPTEC CO., LTD.**

**Work Report of the Supervisory Committee for the Year 2022**

In 2022, all the members of the Supervisory Committee of WuXi AppTec Co., Ltd. (the “**Company**”) actively and conscientiously performed their duties, effectively supervised the Company’s operation, financial position, and the legal compliance of directors and senior managers in performing their duties, thus promoting the improvement of corporate governance structure, and safeguarding the interests of the Company and all shareholders.

**I. MAJOR WORKS OF THE SUPERVISORY COMMITTEE IN 2022**

**(I) Performance of daily works**

The Supervisory Committee of the Company earnestly performed its obligations in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Governance Guidelines for Listed Companies and other relevant laws and regulations, the listing rules of the stock exchange where the Company’s shares are listed, and the internal rules and management systems of the Company, including Articles of Association of WuXi AppTec Co., Ltd. (the “**Articles of Association**”).

In 2022, the Supervisory Committee held 10 meetings and considered 31 proposals, including: (1) proposals relating to works of the Supervisory Committee, such as Work Report of the Supervisory Committee for 2021; (2) proposals relating to regular reports; (3) proposals relating to the financial management of the Company, including Financial Report, Profit Distribution Plan, Use and Deposit of Funds Raised, External Guarantee, Connected Transactions and Investment Projects of Funds Raised; and (4) proposals relating to equity incentives, including vesting, exercise, adjustment, repurchase and cancellation of each batch of equity incentive plans over the years.

**(II) Independent Opinions**

1. Independent opinions of the Supervisory Committee on the legal operation of the Company: The Supervisory Committee supervised the convening and holding procedures and the resolutions of general meetings, and the meetings of the Board, as well as the implementation of the resolutions of the general meetings by the Board according to the Company Law and other relevant laws and regulations, listing rules of the stock exchange where the Company’s shares are listed and the internal rules and management systems of the Company, including the Articles of Association. The Supervisory Committee believes that the convening and holding procedures of the previous general

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**APPENDIX II            WORK REPORT OF THE SUPERVISORY COMMITTEE  
FOR THE YEAR 2022**

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meetings and meetings of the Board were in line with the applicable laws, the resolutions of the general meetings have been effectively implemented, the corporate governance structure has been further improved, the directors have acted in compliance and made decisions prudently, the directors and senior management are diligent, responsible, pragmatic and enterprising, and they have played an effective role in improving corporate governance, improving the effectiveness of corporate decision-making mechanism and safeguarding the interests of the Company and shareholders.

2. Independent opinions of the Supervisory Committee on the financial management of the Company: The Company's financial report for the year of 2021 truly and comprehensively reflects the Company's financial position and business results. The standard unqualified audit report issued by Deloitte Touche Tohmatsu (a special general partnership) (德勤華永會計師事務所(特殊普通合伙)) and the analysis and evaluation of relevant important matters are objective and impartial.
3. Independent opinions of the Supervisory Committee on the profit distribution of the Company: The 2021 Profit Distribution Plan had comprehensively taken into account the Company's operating and financial conditions, operating performance, development prospects and future growth potential, and balanced the Company's long-term business development and shared the interests of its operating results with its shareholders. It complied with the requirements of laws, regulations and normative documents and was in line with the actual circumstances of the Company and the overall interests and long-term interests of its shareholders, and was favourable to the sustainable, stable and healthy development of the Company.
4. Independent opinions of the Supervisory Committee on external guarantees of the Company: The external guarantees in 2022 were favourable to improving the operating efficiency and profitability of subsidiaries, and complied with the requirements of laws, regulations and the Articles of Association, and there were no behaviours that prejudice the interests of the Company and its shareholders.
5. Independent opinions of the Supervisory Committee on the connected transactions of the Company: The price of the connected transaction in 2022 was determined on the basis of the market price through negotiation between the parties in accordance with the fair principle. The decision-making process and implementation of connected transactions were not detrimental to the interests of the Company and its shareholders who are not connected persons.

6. Audit opinions of the Supervisory Committee on the regular reports of the Company: The preparation process of various regular reports in 2022 prepared by the Company was in compliance with the laws and regulations, normative documents and the Articles of Association, and the formats and contents met the relevant requirement of China Securities Regulatory Commission and the stock exchanges of the places where the stocks of the Company are listed. The contents of such reports truly, accurately and completely reflected the actual situations as to the operation management, financial and other aspects of the Company in different reporting periods of 2022, and did not contain any false records, misleading statements or material omissions.
  
7. Independent opinions of the Supervisory Committee on the implementation of the equity incentive plans of the Company: The Supervisory Committee verified the unlocking of restricted shares, the exercise of options, the repurchase of restricted shares and cancellation of options of the Equity Incentive Plan of 2018 and the Equity Incentive Plan of 2019 in accordance with the “Administrative Measures for Equity Incentives of Listed Companies”, the Articles of Association and other relevant regulations. It believed that the unlocking of restricted shares, the exercise of options, the repurchase of restricted shares and cancellation of options of the Equity Incentive Plan of 2018 and the Equity Incentive Plan of 2019 complied with the requirements of applicable laws and regulations and the Articles of Association and the procedures were legal and effective, and there were no circumstances that prejudice the interests of the Company’s shareholders.
  
8. Independent opinions of the Supervisory Committee on the use and deposit of the funds raised by the Company: Special Report on the Deposit and Actual Use of the Funds Raised in 2021 and Special Report on the Deposit and Actual Use of the Funds Raised in the First Half of 2022 complied with the requirements of applicable laws, regulations and normative documents, and truly reflected the actual situation of the deposit and use of the funds raised by the Company throughout 2021 and from January to June 2022 in all material aspects.
  
9. Independent opinion of the Supervisory Committee on the investment projects of the funds raised by the Company: The investment projects of the funds raised by the Company had fulfilled necessary decision-making procedures for the closing of projects and use of the surplus funds for liquidity replenishment or other investment projects, as well as for the postponement of the use of funds, which complied with the requirements of applicable laws and regulations, were favourable to the Company’s long-term development, and were in the interests of the Company and all of its shareholders.

**II. WORK PLAN OF SUPERVISORY COMMITTEE FOR 2023**

In 2023, the Supervisory Committee will continue to strengthen its own learning, actively participate in various special compliance trainings, and improve its compliance awareness and performance, and will, based on the Company Law and other relevant laws and regulations, listing rules of the stock exchange where the Company's shares are listed and the internal rules and management systems of the Company, including the Articles of Association, continue to act diligently and responsibly and effectively supervise the Company's operation, financial position, the performance of the directors and senior managers, and the operation of the internal control management system, so as to safeguard the interests of the Company and all shareholders.

**WUXI APPTEC CO., LTD.**  
**Financial Report for the Year 2022**

The financial statements for 2022 of WuXi AppTec Co., Ltd. (the “**Company**”) have been audited by Deloitte Touche Tohmatsu (a special general partnership) (德勤華永會計師事務所(特殊普通合夥)). The financial statements for 2022 of the Company and its subsidiaries are hereby reported as follows (unless otherwise specified herein, the values are in Renminbi):

In 2022, the Company achieved robust business development, and further enhanced the budget management and centralized capital management. The financial operation of the Company continued to improve, and the costs and expenses were controlled within the budget. Cash flow increased steadily, and overall profitability was further improved. The company has realized the steady growth of business development and economic benefits, and achieved the predefined economic indexes.

The Company’s financial position, business results and cash flow status for 2022 have been audited by Deloitte Touche Tohmatsu (a special general partnership) (德勤華永會計師事務所(特殊普通合夥)), which has issued a standard unqualified audit report.

## I. OPERATING STATUS

*Unit: RMB100 million*

Items of the statements	2022	2021	Change	Percentage
Operating income	393.55	229.02	164.53	71.84%
Operating cost	246.77	145.92	100.85	69.11%
Taxes and surcharges	2.00	0.54	1.46	274.17%
Selling expenses	7.32	6.99	0.33	4.67%
Administrative expenses	28.26	22.03	6.23	28.24%
R&D expenses	16.14	9.42	6.72	71.29%
Finance expenses	-2.48	0.84	-3.32	-394.91%
Other income	4.42	2.48	1.94	78.50%
Investment gains	1.88	13.56	-11.68	-86.14%
Gains/(losses) from changes in fair value	7.70	-0.93	8.63	N/A
Credit impairment losses	-1.15	-0.32	-0.83	263.47%
Assets impairment losses	-1.76	-0.33	-1.43	432.28%
(Losses)/gains on assets disposal	-0.11	2.64	-2.75	-104.23%
Non-operating income	0.10	0.11	-0.01	-9.97%
Non-operating expenses	0.43	0.33	0.10	32.25%
Total profit	106.18	60.16	46.02	76.52%
Income tax expenses	17.16	8.80	8.36	95.06%
Net profit attributable to the shareholders of the Company	88.14	50.97	37.17	72.91%
Net profit	89.03	51.36	37.67	73.34%

*Notes:*

- (1). The above data was prepared under Accounting Standard for Business Enterprises of PRC.
- (2). Any discrepancies in the sum of data listed above with the total is due to rounding.

**(I) Operating income**

In 2022, operating income was RMB39.355 billion, representing an increase of 71.84% as compared with the previous year. The Company's unique CRDMO (Contract Research, Development and Manufacturing Organization) and CTDMO (Contract Testing, Development and Manufacturing Organization) business models continued to drive rapid growth. In 2022, Company

swiftly formulated and effectively implemented its business continuity plan, fully capitalizing on its global capacity, multiple operational locations and comprehensive coverage across industry supply chains, which ensured the achievement of its overall performance targets.

## (II) Cost and expense

1. Operating costs: In 2022, the Company's operating cost was RMB24.677 billion, increased by 69.11% compared with the previous year. The operating cost accounted for 62.70% of the operating income, which decreased by 1.02 percentage points compared with the previous year.
2. Selling expenses: In 2022, the Company's selling expense was RMB732 million, increased by 4.67% compared with the previous year, primarily due to expansion of marketing activities during the year.
3. Administrative expenses: In 2022, the Company's administrative expense was RMB2.826 billion, increased by 28.24% compared with the previous year, primarily due to increase in personnel costs and consulting fees as a result of the Company's expansion during the year.
4. R&D expenses: In 2022, the Company's R&D expense was RMB1.614 billion, increased by 71.29% compared with the previous year, primarily because the Company continued to increase investment in R&D, further improving service capabilities for new molecule types, such as PROTAC, oligonucleotide, peptide, drug conjugate, bi-specific antibody, cell and gene therapies.
5. Finance expenses: In 2022, the Company's finance expense was RMB(248) million, as compared to RMB84 million in the previous year, primarily due to increase in foreign exchange gain as a result of increase in exchange rate between USD and RMB during the year.

## (III) Profits

In 2022, the total profit of the Company was RMB10.618 billion, increased by 76.52% compared with RMB6.016 billion in the previous year. The net profit attributable to the shareholders of the Company was RMB8.814 billion, increased by 72.91% compared with RMB5.097 billion in the previous year. The increase was mainly due to the strong growth in revenue, and the Company continuously raising its production capacity utilization rate and further demonstrating its economy of scale through the continuous optimization of operating efficiency.

## II. KEY FINANCIAL POSITIONS

*Unit: RMB100 million*

Items of the statements	At the end of 2022	At the end of 2021	Change	Percentage
Current assets	239.97	219.86	20.11	9.15%
Non-current assets	406.93	331.42	75.51	22.79%
<b>Total assets</b>	<b>646.90</b>	<b>551.27</b>	<b>95.63</b>	<b>17.35%</b>
Current liabilities	144.99	129.85	15.14	11.67%
Non-current liabilities	32.64	33.85	-1.21	-3.58%
<b>Total liabilities</b>	<b>177.64</b>	<b>163.70</b>	<b>13.94</b>	<b>8.51%</b>
Equity attributable to owners of the Company	465.90	384.92	80.98	21.04%
Non-controlling interests	3.37	2.66	0.71	26.61%
<b>Total equity (or shareholders' equity)</b>	<b>469.27</b>	<b>387.57</b>	<b>81.70</b>	<b>21.08%</b>

*Notes:*

(1). The above data was prepared under Accounting Standard for Business Enterprises of PRC.

(2). Any discrepancies in the sum of data listed above with the total is due to rounding.

**(I) Assets**

The total assets of the Company at the end of 2022 was RMB64.690 billion, representing an increase of RMB9.563 billion, or 17.35%, as compared with the end of 2021. In which:

Trade receivables amounted to RMB5.973 billion, representing an increase of RMB1.353 billion as compared with the end of 2021. Contract assets amounted to RMB1.048 billion, representing an increase of RMB0.275 billion as compared with the end of 2021. The increases were mainly due to the significant growth in the operating income of the Company during 2022, resulting in increases in trade receivables and contract assets.

The fixed assets amounted to RMB14.171 billion, with an increase of RMB5.617 billion from the end of 2021, mainly due to the fixed assets converted from the completion of projects in progress of Changzhou (常州), Wuhan (武漢), Wuxi (無錫), Taixing (泰興) and Changshu (常熟).

Construction in progress amounted to RMB7.473 billion, with an increase of RMB1.702 billion from the end of 2021, mainly due to increase in investment in construction projects of Taixing (泰興) and Nantong (南通).

## (II) Liabilities

The total liabilities at the end of 2022 were RMB17.764 billion, with an increase of RMB1.394 billion or 8.51% over the end of 2021. Among them, short-term borrowings were RMB3.874 billion and long-term borrowings were RMB0.279 billion, with an increase of RMB1.892 billion in aggregate over the end of 2021, mainly due to the additional borrowings to replenish the working capital and meet the needs of various investment projects.

## (III) Shareholders' equity

The shareholders' equity attributable to the parent company at the end of 2022 was RMB46.590 billion, with an increase of RMB8.098 billion from that of the end of 2021, mainly due to the net profit attributable to the shareholders of the Company of RMB8.814 billion realized in 2022 and the payment of RMB1.529 billion for the execution of the 2021 Profit Distribution Plan, while the remaining increase of RMB0.813 billion was due to the comprehensive effects on equity of shareholders resulting from the conversion of H-share convertible bonds and the exercise of share options.

## (IV) Cash Flows

*Unit: RMB100 million*

<b>Statement items</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>	<b>Percentage</b>
Net cash flows from operating activities	106.16	45.89	60.27	131.32%
Net cash flows from investment activities	-96.90	-48.39	-48.51	100.26%
Net cash flows from financing activities	-12.78	-17.24	4.46	-25.88%
Net increase in cash and cash equivalents	-1.91	-20.53	18.62	-90.67%

*Notes:*

- (1). The above data was prepared under Accounting Standard for Business Enterprises of PRC.
- (2). Any discrepancies in the sum of data listed above with the total is due to rounding.

### ***1. Cash flows from operating activities***

Cash inflow from operating activities in 2022 was RMB42.865 billion, in which, cash received from sales of goods and services offering was RMB39.962 billion, accounting for 93.23% of the cash inflow from operating activities.

Cash outflow from operating activities was RMB32.249 billion, in which, cash paid for goods and services was RMB18.166 billion, accounting for 56.33% of the cash outflow from operating activities. Cash paid to and for employees was RMB10.045 billion, accounting for 31.15% of the cash outflow from operating activities.

Net cash inflow from operating activities was RMB10.616 billion, with an increase of RMB6.027 billion or 131.32% compared with net inflow of RMB4.589 billion in 2021, mainly due to the rapid growth in the revenue of principal business for 2022 and the Company's continuous improvement on operating process, which enhanced the overall turnover rate of working capital.

### ***2. Cash flows from investment activities***

The cash inflow from investment activities was RMB1.910 billion, mainly consisting of the proceeds from the redemption of bank wealth management products and the income received from disposal of investment.

The cash outflow from investment activities was RMB11.600 billion, mainly including the disbursement of RMB9.966 billion for fixed assets and other long-term assets (accounting for 85.91% of cash outflow from investment activities). and RMB1.452 billion for equity investment and investment in wealth management products (accounting for 12.52% of cash outflow from investment activities).

Net cash outflow from investment activities was RMB9.690 billion, with an increase of RMB4.851 billion, or 100.26%, compared with the net outflow of RMB4.839 billion in 2021, mainly due to increasing capital investments in constructions in Changzhou (常州), Wuhan (武漢), Wuxi (無錫), Changshu (常熟), Taixing (泰興) and other sites, as well as equity investments in associates WuXi XDC Cayman Inc. during 2022.

### ***3. Cash flows from financing activities***

The cash inflow from financing activities was RMB3.482 billion, mainly including loans of RMB3.332 billion, which accounted for 95.70% of the cash inflow from financing activities.

The cash outflow from financing activities was RMB4.759 billion, mainly including the repayment of borrowings of RMB1.664 billion, which accounted for 34.96% of the cash outflow from financing activities; and the cash of RMB1.598 billion paid for the distribution of dividend and profit or the repayment of interests, which accounted for 33.58% of the cash outflow from financing activities.

The net cash outflow from financing activities was RMB1.278 billion, with a decrease of RMB0.446 billion, or 25.88%, compared to net outflow of RMB1.724 billion in 2021. This was mainly due to the increase of RMB0.597 billion in net cash inflow from borrowings in 2022 compared to 2021, and the decrease of RMB0.709 billion in share repurchase expenses compared to 2021, resulting in higher cash inflows from financing activities, partially offset by the increase of RMB0.636 billion in payment of cash dividend in 2022.

### III. KEY FINANCIAL INDEXES

Key indexes	2022	2021	Change
Current ratio	1.66	1.69	-0.03
Quick ratio	1.24	1.22	0.02
Asset-liability ratio (%)	27.46	29.69	-2.23
Operating profit growth rate (%)	76.43	78.13	-1.70
Return on equity (%)	18.97	13.25	5.72
Accounts receivable turnover rate (time)	6.14	4.66	1.48
Accounts payable turnover rate (time)	13.75	10.16	3.59
Inventory turnover rate (time)	4.20	3.36	0.84

*Note:* The above data was prepared under Accounting Standard for Business Enterprises of PRC.

#### (I) Solvency indexes

Current ratio of 2022 was 1.66, which was 0.03 lower than that of 2021; the quick ratio was 1.24, which was 0.02 higher than that of 2021. This was mainly due to the slight decrease of current ratio resulting from the increase in short-term borrowings of the Company during 2022, and the slight increase of quick ratio because the accounts receivable and non-current assets maturing within one year increased at a higher rate than the short-term borrowings.

The asset-liability ratio for 2022 was 27.46%, down 2.23% over 2021. This was mainly because accounts receivable and contract assets increased along with the growth of the Company's business during 2022, and the assets increased due to the increase in construction in progress and

fixed assets as a result of the additional investment in construction projects, machine and equipment. Coupled with the Company's effective management of assets and liabilities, asset-liability ratio decreased accordingly.

## **(II) Profitability indexes**

Operating profit growth rate: The operating profit growth rate of 2022 was 76.43%, representing a decrease of 1.70 percentage points as compared with 2021. The decrease was mainly due to the continuous increase in profits from principal businesses of the Company and higher growth rate of operating profit as compared with that of operating income. However, factors such as an increase in asset impairment losses and a decrease in gains from asset disposal led to a slight decrease in the growth rate of operating profit for 2022.

Return on equity: The return on equity was 18.97%, up 5.72% from 2021, the increase in return on equity was mainly due to the strong growth in the profit from principal businesses of the Company, resulting in an increase of 73.34% in the net profit of the Company. The increase in return on equity was also due to the Company's effective management of assets and liabilities, keeping the increase in net assets much lower than the net profit.

## **(III) Operating capacity indexes**

Turnover rate: the accounts receivable turnover rate of 2022 was 6.14 times, compared with 4.66 times in 2021, accelerating by 1.48 times; the accounts payable turnover rate of 2022 was 13.75 times, compared with 10.16 times in 2021, accelerating by 3.59 times; the inventory turnover rate of 2022 was 4.20 times, compared with 3.36 times in 2021, accelerating by 0.84 times. The increase in turnover rate was mainly because of the rapid growth of principal businesses for 2022 and the Company's continuous improvement on operating process, which enhanced the overall turnover rate of working capital.

## **IV. CHANGES IN ACCOUNTING POLICIES DURING THE YEAR**

There were no changes in the accounting policies of the Company during the year.

In order to meet the need of business operation and development of domestic and overseas subsidiaries (hereinafter referred to as “**Subsidiaries**”) within the scope of the consolidated financial statements of WuXi AppTec Co., Ltd. (the “**Company**”), in accordance with the Company Law of the People’s Republic of China and other relevant laws and regulations, the listing rules of the stock exchanges in the place where the shares of the Company are listed, Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 — Standardized Operation, the Articles of Association of WuXi AppTec Co., Ltd. and the Management System for External Guarantee and Provision of Financial Assistance of WuXi AppTec Co., Ltd., the Company intends to provide its Subsidiaries with an aggregate guarantee of no more than RMB11.5 billion in 2023 (hereinafter referred to as “**Aggregate Guarantee in 2023**”), including its Subsidiaries with gearing ratio of less than 70% (based on the latest audited financial statements), including certain direct wholly-owned subsidiaries, namely, WuXi AppTec (Shanghai) Co., Ltd., WuXi AppTec (Suzhou) Co., Ltd., WuXi AppTec (Wuhan) Co., Ltd., WuXi AppTec (Tianjin) Co., Ltd., WuXi AppTec (Hong Kong) Limited (as well as its direct wholly-owned subsidiaries, Changzhou STA Life Science Co., Ltd. and Taixing STA Pharmaceutical Co., Ltd.), Nantong WuXi Pharmaceutical Technology Co., Ltd., WuXi AppTec (Changshu) Co., Ltd., WuXi AppTec Holding Company, Inc, WuXi AppTec, Inc, WuXi AppTec (Chengdu) Co., Ltd. and WuXi AppTec Singapore Pte. Ltd.; a subsidiary owned by the Company as to 98.33%, namely, Shanghai STA Pharmaceutical Co., Ltd (as well as its direct wholly-owned subsidiaries, WuXi STA Pharmaceutical Co., Ltd., Changzhou SynTheAll Pharmaceutical Co., Ltd. and Shanghai STA Pharmaceutical R&D Co., Ltd.). Such guarantee amounts shall be valid for 12 months from the date of approval of this resolution at the 2022 AGM or until the date of approval of the external guarantee amounts for 2024 at the 2023 annual general meeting of the Company (whichever is shorter). Aggregate Guarantee in 2023 includes any single guarantee to be provided during the validity period in the amount exceeding 10% of the net assets as shown in the latest audited consolidated financial statements of the Company. The balance of the guarantee at any time during the authorization period shall not exceed new guarantee of RMB11.5 billion as approved at the general meeting of the shareholders of the Company, and shall be subject to the maximum balance of external guarantee in a single day, and shall not be double-calculated based on the amount incurred. The above guarantee occurs between the Company and its wholly-owned subsidiaries and subsidiaries which it has majority control over, and the guarantee risks are controllable.

Subject to the approval of the above-mentioned external guarantee amounts at the general meeting of the Company, the finance department of the Company shall be further authorized to determine its organization and implementation.

In accordance with the current business development and future development strategy of the Company, the international business volume of the Company will continue to increase, and its foreign exchange exposure will also increase accordingly. When the exchange rate fluctuates significantly, the impact of exchange gains and losses on the Company's operating performance may also increase. In order to effectively prevent the adverse impact of significant exchange rate fluctuations on its operations and reduce foreign exchange risk under the premise of ensuring the daily working capital demand, the Company and its subsidiaries within the scope of its consolidated statements (hereinafter referred to as the "**subsidiaries**") will continue to carry out the forward foreign exchange settlement and other business with banks in 2023 to lock the exchange rate, and reduce the impact of exchange rate fluctuations on its operating profit, in active response to the uncertainties in the exchange rate market.

Taking into consideration its export income level, the management of the Company proposes that the total amounts of the foreign exchange hedging business carried out by the Company and its subsidiaries in 2023 shall not exceed US\$6.0 billion or other equivalent foreign currencies (hereinafter referred to as "**Total Amounts of the Foreign Exchange Hedging Business**"). The proposed foreign exchange hedging businesses include forward foreign exchange settlement and sales business and other foreign exchange derivative products. The term shall be 12 months from the date of approval of this resolution at the 2022 AGM or until the date of approval of the Total Amounts of the Foreign Exchange Hedging Business for 2024 by the Board or at the general meeting in 2023 (subject to approval and authorization) (whichever is shorter). The fund shall be revolving within the above limit and during the validity period of the resolution. The specific amount shall be subject to the highest balance of foreign exchange hedging in a single day and the amount incurred shall not be calculated repeatedly.

In order to standardize the foreign exchange derivatives trading business of the Company and its subsidiaries and ensure the safety of the Company's assets, the management proposes that the Board, under authorization of the general meeting of the Company, further authorizes its finance department to carry out the foreign exchange derivatives trading business within the quota approved at the general meeting based on the business conditions and actual demand on the premise of being approved at the general meeting of the Company. All the foreign exchange derivatives trading businesses of all subsidiaries shall be reported to the Company's finance department for approval, and the relevant business shall only be implemented after their internal procedures have been completed.

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**APPENDIX VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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The Company proposes to amend the Articles of Association as follows:

<b>Original Articles</b>	<b>Amended Articles</b>
<b>Article 6</b> The registered capital of the Company is RMB2,957,191,839.	<b>Article 6</b> The registered capital of the Company is RMB <u>2,962,088,310</u> <del>2,957,191,839</del> .
<b>Article 23</b> ..... The shareholding of the Company is: 2,957,191,839 ordinary shares, including 2,561,926,633 shares held by shareholders of domestically listed domestic shares; 395,265,206 shares held by H-share shareholders.	<b>Article 23</b> ..... The shareholding of the Company is: <u>2,962,088,310</u> <del>2,957,191,839</del> ordinary shares, including <u>2,564,760,485</u> <del>2,561,926,633</del> shares held by shareholders of domestically listed domestic shares; <u>397,327,825</u> <del>395,265,206</del> shares held by H-share shareholders.

The full text of the proposed amendments to the Articles of Association were prepared in the Chinese language. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

Biographical details of the candidates proposed to be re-elected or elected as executive and non-executive Directors as required under Rule 13.51(2) of the Listing Rules are set out as follows:

### EXECUTIVE DIRECTORS

**Dr. Ge Li (李革)**, aged 56, is the chairman and chief executive officer of the Company.

From 1993 to 2000, Dr. Li was a founding scientist and director of research at Pharmacopeia Inc. in the United States. Since 2000, he has been serving in the Company (including its predecessor), and has served in roles including the chairman, president and chief executive officer of the Company. He also concurrently serves as the chairman and non-executive director of WuXi Biologics (Cayman) Inc. (2269.HK).

Dr. Li obtained a bachelor's degree in chemistry from Peking University in the PRC. He also obtained a Ph.D. degree in organic chemistry from Columbia University in the United States.

Dr. Li is the spouse of Dr. Zhao.

As at the Latest Practicable Date, Dr. Li was deemed to be interested in an aggregate of 651,871,154 A Shares held by the corporations controlled by him through which he holds his interests, and the parties acting in concert with him whom he holds his interests jointly with, and was deemed to be interested in an aggregate of 770,172 H Shares held by him and his spouse, Dr. Zhao, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

**Mr. Edward Hu (胡正國)**, aged 60, is the vice chairman and global chief investment officer of the Company, the chairman and chief executive officer of WuXi Advanced Therapies.

From 1983 to 1985, Mr. Hu worked as an engineer at the scientific instrument factory of Hangzhou University. From 1988 to 1989, he was a manager at China Daheng Group, Inc. (中國大恒公司). From 1989 to 1990, he worked as an engineer at Jurid Bremsbrag GmbH in Germany. From 1996 to 1998, he served as a senior financial analyst of Merck in the United States. From 1998 to 2000, he was a business planning manager at Biogen Inc. (BIIB.NASDAQ) in the United States. From 2000 to 2007, he held various positions at Tanox, Inc. (TNOX.NASDAQ) in the United States, including chief financial officer, vice president of operations, senior vice president and chief operating officer. Since 2007, he has been serving in the Company (including its

predecessor), and has served in roles including standing vice president and chief operating officer, chief financial officer, co-chief executive officer, vice chairman, global chief investment officer of the Company, and the chairman and chief executive officer of WuXi Advanced Therapies.

Mr. Hu also serves as a non-executive director of CStone Pharmaceuticals (2616.HK) and a non-executive director of CANbridge Pharmaceuticals Inc. (1228.HK). In the past three years, Mr. Hu was a director of WuXi Biologics (Cayman) Inc. (2269.HK), Viela Bio, Inc. (VIE.NASDAQ) and Ambrx Biopharma Inc. (AMAM.NYSE).

Mr. Hu obtained a bachelor's degree in physics from Hangzhou University, currently known as Zhejiang University (浙江大學), in the PRC. He also obtained a master's degree in chemistry and a master's degree in business administration from Carnegie Mellon University in the United States, respectively.

As at the Latest Practicable Date, Mr. Hu was deemed to be interested in an aggregate of 283,314 A Shares and 327,488 H Shares held by him and his spouse, Ms. Wendy J. Hu within the meaning of Part XV of the SFO.

**Dr. Steve Qing Yang (楊青)**, aged 54, is an executive Director and co-chief executive officer of the Company.

From 1997 to 1999, Dr. Yang worked as a senior strategic consulting advisor of Strategic Decisions Group, a strategic consulting firm based in the United States. From 1999 to 2001, he served as a senior director of the corporate strategy and development at IntraBiotics, a United States biotech company. From 2001 to 2006, he was the head of the global research and development strategic management department and executive officer of Pfizer Inc. in the United States. From 2007 to 2010, he served as the president of research and development in Asia and vice president of global research and development of Pfizer Inc. (PFE.NYSE) in the United States. From 2011 to 2014, he was the vice president of Asia and Emerging Markets iMed Research and Development (亞洲及新興市場創新醫藥研發) of AstraZeneca (AZR.NYSE) in the United Kingdom. Since 2014, he has been serving in the Company (including its predecessor), and has served as vice president and chief operating officer, chief business officer and chief strategy officer, co-chief executive officer and executive Director of the Company.

Dr. Yang obtained a bachelor's degree from Michigan Technological University in the United States and a Ph.D. degree in pharmaceutical chemistry from University of California, San Francisco in the United States.

As at the Latest Practicable Date, Dr. Yang was interested in 213,554 A Shares and 306,757 H Shares within the meaning of Part XV of the SFO.

**Dr. Minzhang Chen (陳民章)**, aged 53, is an executive Director and co-chief executive officer of the Company.

Dr. Chen has over 20 years of experience in new drug research and development and production management. Prior to joining the Company, he served as the chief researcher of the chemistry department of Schering-Plough Research Institute (先靈葆雅研究所) and the head of the technical operation department of Vertex Pharmaceuticals Inc. Since 2008, he has been serving in the Company (including its predecessor), and has served as a director and chief executive officer of SynTheAll Pharmaceutical, a subsidiary controlled by the Company, and as vice president, co-chief executive officer and executive Director of the Company.

Dr. Chen obtained a bachelor's degree in chemistry from Peking University (北京大學) in the PRC. He also obtained a Ph.D. degree in organic chemistry from University of Minnesota in the United States.

As at the Latest Practicable Date, Dr. Chen was interested in 146,180 A Shares and 439,240 H Shares within the meaning of Part XV of the SFO.

**Mr. Zhaohui Zhang (張朝暉)**, aged 53, is an executive Director, vice president and China chief operating officer of the Company.

From 1991 to 1993, he worked as an engineer at Wuxi Grinder Machinery Research Institute (無錫磨床機械研究所). From 1993 to 1995, he served as assistant to general manager of Jiangsu Yinling Group (江蘇省銀鈴集團). From 1995 to 1998, he was the vice president of Yinling Group (銀鈴集團), a United States company. From 1998 to 2000, he was the chief executive officer of Wuxi Qingye Investment Consultancy Limited (無錫青葉企業投資諮詢有限責任公司). Since 2000, he has been serving in the Company (including its predecessor), and has served in roles including senior vice president of operations and domestic market, China chief operating officer and executive Director of the Company.

Mr. Zhang obtained a bachelor's degree in mechanical and electrical engineering from Jiangnan University (江南大學) in the PRC and a master's degree in business administration from China Europe International Business School in the PRC.

As at the Latest Practicable Date, Mr. Zhang was deemed to be interested in an aggregate of 651,871,154 A Shares held by the corporations controlled by him through which he holds his interests, and the parties acting in concert with him whom he holds his interests jointly with, and was interested in 170,992 H Shares held by him within the meaning of Part XV of the SFO.

**Dr. Ning Zhao (趙寧)**, aged 56, is an executive Director and vice president of the Company.

From 1995 to 1996, Dr. Zhao worked as a scientist at Wyeth Pharmaceuticals, Inc. From 1996 to 1999, she served as a senior scientist and research supervisor at Pharmacopeia Inc. From 1999 to 2004, she worked as a senior scientist and department head at Bristol-Myers Squibb Co. (美國施貴寶製藥公司). Since 2004, she has been serving in the Company (including its predecessor), and has served as the person-in-charge and vice president of the analytical business department, chief advisor of analytical operation platform, senior vice president of operations and human resources and executive Director of the Company. Dr. Zhao has concurrently been serving as a non-executive director of WuXi Biologics (Cayman) Inc. (2269.HK).

Dr. Zhao obtained a bachelor's degree in chemistry from Peking University in the PRC. She also obtained a Ph.D. degree in organic chemistry from Columbia University in the United States.

Dr. Zhao is the spouse of Dr. Li.

As at the Latest Practicable Date, Dr. Zhao was deemed to be interested in an aggregate of 651,871,154 A Shares held by her spouse Dr. Li through the corporations controlled by him, and the parties acting in concert with her whom she holds her interests jointly with, and was deemed to be interested in an aggregate of 770,172 H Shares held by her and her spouse, Dr. Li, within the meaning of Part XV of the SFO.

## NON-EXECUTIVE DIRECTORS

**Mr. Xiaomeng Tong (童小幪)**, aged 49, is a non-executive Director of the Company.

From 1998 to 2000, he served as an investment analyst at Morgan Stanley & Co. International plc. From 2000 to 2008, he served as a managing director and joint head of Greater China District of General Atlantic. From 2008 to 2011, he served as a managing director and head of Greater China District of Providence Equity Partners. Since May 2011, he has been serving as a managing partner of Boyu Capital Advisory Company Limited (博裕投資顧問有限公司). Mr. Tong has concurrently been serving as an independent non-executive director of Alibaba Pictures Group Limited (1060.HK).

Mr. Tong obtained a bachelor's degree in economics from Harvard University in the United States.

**Dr. Yibing Wu (吳亦兵)**, aged 55, is a non-executive director of the Company.

From 1996 to 2008, he worked with McKinsey & Company, where he was a global senior director, senior partner, the head of Asia Pacific M&A practice and general manager of Beijing office. From 2008 to 2009, he served as the standing vice president of Legend Holdings Co., Ltd. From 2009 to 2013, he served as the president of CITIC Private Equity Funds Management Co., Ltd. Since October 2013, he has been serving as a member of the global executive committee, joint head of technology & consumer department, joint head of enterprise development group (China) and the head of China of Temasek International Pte. Ltd. Since January 2014, he has been serving as a director and general manager of Temasek Holdings Advisors (Beijing) Co., Ltd. Dr. Wu has concurrently been serving as a non-executive director of WuXi Biologics (Cayman) Inc. (2269.HK).

Dr. Wu obtained a bachelor's degree in molecular biology from University of Science and Technology of China (中國科學技術大學) in the PRC and a Ph.D. degree in biochemistry and molecular biology from Harvard University in the United States.

Save as disclosed above, there are no other matters in relation to the proposed re-election of Dr. Li, Mr. Hu, Dr. Yang, Dr. Chen, Mr. Zhang and Dr. Zhao as executive Directors and Mr. Tong and Dr. Wu as non-executive Directors which would require disclosure under Rule 13.51(2) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited or matters which ought to be brought to the attention of the Shareholders.

Biographical details of the candidates proposed to be re-elected or elected as independent non-executive Directors as required under Rule 13.51(2) of the Listing Rules are set out as follows:

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Dai Feng (馮岱)**, aged 47, has years of investment experience in the field of healthcare.

Since March 2015, he has been serving as the managing director of CareCapital Advisors Limited, focusing on investment and operations in the dental industry. He is also the chairman of Angelalign Technology Inc. (6699.HK), the vice chairman of Carestream Dental LLC, director of several regional dental chain groups in China, director of the Forsyth Institute of the Harvard School of Dental Medicine and director of the International Orthodontics Foundation. From April 2004 to December 2014, he served as manager, principal and managing director of Warburg Pincus Asia LLC (華平投資集團).

Mr. Feng has been serving as an independent non-executive Director of the Company. He also served as an independent non-executive director of Sling Group Holdings Limited (8285. HK).

Mr. Feng obtained a bachelor's degree in engineering sciences from Harvard University in the United States.

**Ms. Christine Shaohua Lu-Wong (盧韶華)**, aged 54, was a senior chief financial officer, and she also has more than 15 years of experience working as the chief financial officer of listed companies. She is qualified as a certified public accountant in the United States.

From 2007 to 2021, she held various senior management positions, including vice president of finance and chief financial officer at various listed companies, including WuXi PharmaTech (Cayman) Inc. (NYSE ticker before delisting: WX), Pactera Technology International Ltd. (NASDAQ ticker before delisting: PACT), Xueda Education Group (NYSE ticker before delisting: XUE), and WuXi Biologics (Cayman) Inc. (2269.HK).

As a senior chief financial officer of listed companies, Ms. Lu-Wong is not only responsible for the overall financial operation and management, capital market and market value management and merger, acquisition and consolidation activities, but is also responsible for establishing and maintaining an appropriate and effective risk management and internal control system to help identify and assess risks in the process of business planning and strategy making, overseeing and implementing relevant risk mitigation plans, so as to assess and determine the nature and extent of acceptable risks while achieving the objectives of listed companies.

Ms. Lu-Wong obtained a bachelor's degree in foreign trade and economics from Guangdong University of Foreign Studies and a master's degree in business administration (accounting) from Golden Gate University in San Francisco.

As at the Latest Practicable Date, Ms. Lu-Wong was deemed to be interested in 16,936 H shares of the Company held by her spouse pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**Dr. Wei Yu (俞衛)**, aged 69, has more than 30 years of professional experience in the field of health management and policy research. Since 2019, he has been the executive dean of Shanghai Chuangqi Health Development Academy (上海創奇健康發展研究院).

Dr. Yu has held senior research positions at various research universities as well as medical and health institutions, including Clemson University in the United States, Boston University, Stanford University and the Federal Health Economic Resource Center of the U.S. Department of Veterans Affairs Health Care System, China Health Economics Association (中國衛生經濟學會) and Shanghai Shenkang Hospital Development Center (上海申康醫院發展中心). From 2006 to 2018, he worked as a professor, doctoral supervisor, executive vice president and dean at the School of Public Economics and Management of Shanghai University of Finance and Economics. He has been serving as an independent director of Tellgen Corporation (上海透景生命科技股份有限公司) (300642.SZ).

Dr. Yu obtained a bachelor's degree in electrical automation from Shanghai Hua Dong Textile College (上海華東紡織工學院). He also obtained a master's degree and doctor's degree in economics from Clemson University in the United States.

**Dr. Xin Zhang (張新)**, aged 45, has been teaching at the School of Management of Fudan University since 2010. He has served as a lecturer, associate professor and deputy head of the Department of Accounting. His research focuses are corporate finance, sell-side analysis, international accounting and international finance. Dr. Zhang has rich professional knowledge and experience in accounting, and holds the senior title of associate professor in accounting.

He has been serving as an independent director of Shanghai Film Co., Ltd. (上海電影股份有限公司) (601595.SH). In the past three years, he served as an independent director of Keeson Technology Corporation Limited (麒盛科技股份有限公司) (603610.SH), Huasu Holdings Co., Ltd. (華塑控股股份有限公司) (000509.SZ), and Shanghai Moon's Electric Co., Ltd. (上海鳴志電器股份有限公司) (603728.SH).

Dr. Zhang obtained a bachelor's degree in industrial foreign trade from Shanghai Jiao Tong University, a master's degree in management science and engineering from Shanghai Jiao Tong University and a doctor's degree in finance from Queen's University in Canada.

**Ms. Zhiling Zhan (詹智玲)**, aged 59, has been working as a principal lawyer at Shanghai Ryser & Associates Law Firm (上海瑞澤律師事務所) since August 2004. She has rich legal professional experience and practical experience. From 1987 to 1989, she taught in the Economic Law Teaching and Research Center of the Law Department of Renmin University of China (中國人民大學法律系經濟法教研室). From 1994 to 2004, she practiced at various reputable law firms, including Pestalozzi Law Firm in Zurich, Switzerland, and Baker & McKenzie in Hong Kong.

In the past three years, she served as an independent director of Changjiang Runfa Health Industry Co., Ltd. (長江潤發健康產業股份有限公司) (002435.SZ).

Ms. Zhan obtained a bachelor's degree in law from Wuhan University and a master's degree in law from Renmin University of China. She obtained a master's degree in law from The University of Tokyo in Japan, and studied Juris Doctor in the same year.

Save as disclosed above, there are no other matters in relation to the proposed re-election and proposed election of each of the Proposed INEDs as independent non-executive Directors which would require disclosure under Rule 13.51(2) of the Listing Rules or matters which ought to be brought to the attention of the shareholders of the Company.

In order to meet the needs of the Company's business development, consolidate its leading position in the field of pharmaceutical R&D services and further enhance its capital and comprehensive strength and enhance decision-making efficiency in order to seize market opportunities, in accordance with the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", and other relevant laws and regulations, the listing rules of the stock exchanges in the place where the shares of the Company are listed and the Articles of Association of WuXi AppTec Co., Ltd.\*, the Board of Directors of the Company intends to propose at the 2022 AGM to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the A shares and/or H shares of up to 20% of the number of the A shares and/or H shares in issue of the Company, or securities which may be converted into such shares, share options, warrants, or the similar rights to subscribe for the A shares and/or H shares of the Company (excluding warrants, options or similar rights to subscribe for (i) any new Shares or (ii) any securities convertible into new Shares for cash consideration) (hereinafter referred to as the "**Similar Rights**", and the above-mentioned authorization is hereinafter referred to as the "**General Mandate**") separately or simultaneously. In accordance with the requirements of the relevant laws and regulations in China, even if the General Mandate is obtained, the Company shall still be approved at the general meeting for the issuance of any A shares. The specific authorization is as follows:

- I. To generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the A Shares and/or H Shares or similar rights separately or simultaneously, and to determine the terms and conditions for allotment, issuance and disposal of new shares or issue similar rights, including but not limited to:
  1. Class and number of new shares to be issued;
  2. Pricing mechanism and/or issue price of the new shares to be issued (including price range);
  3. The starting and closing dates of such issue;
  4. The class and number of the new shares to be issued to existing shareholders; and/or

5. To make or authorize the share offer, agreements, share options, conversion rights or other rights (including the relevant rights under the share incentive plans of the Company, unless otherwise required by applicable laws and regulations) that may require the exercise of such rights.
- II. The number of the A Shares and/or H Shares (excluding the shares issued by way of the conversion of public reserve into share capital) to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board of Directors or the Chairman and its authorized persons separately or simultaneously in accordance with the General Mandate referred to in first paragraph above shall not exceed 20% of the number of the A shares and/or H shares of such class in issue of the Company at the time when this resolution is passed at the general meeting of the Company.
  - III. Where the Board of Directors or the Chairman and its authorized persons have, during the effective period of the mandate specified in the seventh paragraph of this resolution, determined to allot, issue and deal with the A shares and/or H shares or similar rights, and the Company also has, during the effective period of the mandate, obtained the relevant approval, permission from, or registration (if applicable) with the regulatory authorities, the Board of Directors of the Company or the Chairman and its authorized persons may, during the effective period of such approval, permission or registration, complete the relevant allotment, issuance and disposal of such shares.
  - IV. To authorize the Board of Directors or the Chairman and its authorized persons to obtain an approval from all relevant government departments and/or regulatory authorities (if applicable) in accordance with the applicable laws as amended from time to time (including but not limited to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the applicable laws and regulations of the regulatory authorities of the places where the shares of the Company are listed) to exercise the General Mandate.
  - V. To authorize the Board of Directors or the Chairman and its authorized persons to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the allotment, issuance and disposal of any new shares under the abovementioned General Mandate, handle the necessary procedures and take other necessary actions.

- VI. To authorize the Board of Directors or the Chairman and its authorized persons to increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association of the Company in accordance with the way, type and number of the allotment and issuance of new shares of the Company and the actual shareholding structure of the Company upon completion of the allotment and issuance of new shares.
- VII. The effective period of the General Mandate shall be from the passing of this resolution to the following date, whichever is earlier:
- (1) from the date when this resolution is passed at the 2022 AGM of the Company until the expiry of 12 months since then;
  - (2) the date of conclusion of the 2023 annual general meeting of the Company; or
  - (3) at the time of passing a special resolution by the shareholders of the Company at the general meeting to revoke or vary the mandate under this resolution.

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## APPENDIX X                      PROPOSED GRANTING OF REPURCHASE MANDATE

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In order to meet the need of the Company's business development, in accordance with the requirements of relevant laws and regulations, the listing rules of the stock exchanges in the place where the shares of the Company are listed and the Articles of Association of WuXi AppTec Co., Ltd.\* (the "**Articles of Association**"), the Board of Directors of the Company intends to propose at the 2022 AGM to generally and unconditionally authorize the Board of Directors to repurchase the A shares and/or H shares of the Company. The specific authorization is as follows:

- I. Subject to the restrictions set forth in Items II and III below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to repurchase the A shares listed on the Shanghai Stock Exchange and the H Shares listed on the Hong Kong Stock Exchange, subject to and in accordance with all applicable laws, regulations and rules and/or requirements of the governmental or regulatory body of securities in the PRC, The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), the Shanghai Stock Exchange (the "**SSE**") or any other governmental or regulatory body be and is hereby approved;
- II. The aggregate nominal amount of A shares and/or H Shares of the Company authorized to be repurchased by the Company pursuant to the approval mentioned above during the Relevant Period shall not exceed 10% of the number of A shares and/or H Shares of the Company in issue as at the date of the passing of this resolution at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, respectively;
- III. The first approval mentioned above shall be conditional upon satisfaction of all the following conditions:
  1. The passing of a special resolution with the same terms as this resolution at both the H Share Class Meeting and the A Share Class Meeting of the Company;
  2. The obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and
  3. The Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the "Company Law of the People's Republic of

China” and the Articles of Association of the Company. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.

IV. Subject to the approval of all relevant government authorities in the PRC for the repurchase of such shares of the Company being granted and subject to the abovementioned conditions, the Board of Directors be and is hereby authorized to:

1. Formulate and implement the specific repurchase plans, including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase, etc.;
2. Notify creditors and issue announcements in accordance with the requirements of the relevant laws, regulations, normative documents and the Articles of Association;
3. Open overseas share accounts and carry out the related changes of foreign exchange registration procedures;
4. Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed;
5. Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;
6. Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;
7. Execute and handle other documents and matters related to the repurchase of shares.

- V. For the purpose of this resolution, the “**Relevant Period**” means the period from the passing of this resolution at the general meeting of the Company and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively, until whichever is the earliest of:
1. Upon conclusion of the 2023 annual general meeting of the Company;
  2. The expiration of a period of twelve months following the passing of this resolution at the 2022 AGM of the Company and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively; or
  3. The time at which the authorization conferred by this resolution is revoked or varied by a special resolution of shareholders of the Company at a general meeting, or by a special resolution of its H shareholders and A shareholders at the H Share Class Meeting and the A Share Class Meeting, respectively.

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## APPENDIX XI EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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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 special resolutions to be proposed at the 2022 AGM, the H Share Class Meeting and the A Share Class Meeting in relation to the granting of the Repurchase Mandate.

### 1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,564,880,586 A Shares and 402,543,650 H Shares. Subject to the passing of the special resolutions set out in the 2022 AGM, the H Share Class Meeting and the A Share Class Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the 2022 AGM, i.e. being 2,564,880,586 A Shares and 402,543,650 H Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the Relevant Period (as defined below), a total of 256,488,058 A Shares and 40,254,365 H Shares, representing 10% of the total number of A Shares and H Shares in issue as at the date of the 2022 AGM, respectively. The exercise of the Repurchase Mandate is further subject to:

- (i) the obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and
- (ii) the Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the “Company Law of the People’s Republic of China” and the Articles of Association of the Company. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.

The “**Relevant Period**” means the period from the passing of the resolution at the 2022 AGM and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively, until whichever is the earliest of:

- (i) upon conclusion of the 2023 annual general meeting of the Company;
- (ii) the expiration of a period of twelve months following the passing of this resolution at the 2022 AGM and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively; or

- (iii) the time at which the authorization conferred by this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting, or by a special resolution of its H shareholders and A shareholders at the H Share Class Meeting and the A Share Class Meeting, respectively.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that a general authority from the Shareholders to enable the Company to repurchase its Shares is to maintain stability of the Company's operations, development and share price, to safeguard and protect the long-term interests of the Shareholders, to promote the maximization of Shareholders' value, to further improve and refine the long-term incentive and talent retention mechanism, and to ensure the sustainable operations and healthy development of the Company.

## **3. FUNDING OF SHARE REPURCHASE**

In repurchasing its A Shares and/or H Shares, the Company intends to apply funds from its internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with its Articles of Association, the laws of the PRC 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 only be made either out of the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of the issuance of new Shares made for such purpose. 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, 2022) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels 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 traded on the Hong Kong Stock Exchange and Shanghai Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date are as follows:

<b>Month</b>	<b>H Share Prices</b>		<b>A Share Prices</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>	<b>Highest</b> <i>RMB</i>	<b>Lowest</b> <i>RMB</i>
<b>2022</b>				
April	137.60	100.00	112.72	95.68
May	109.70	85.60	103.70	87.13
June	111.30	89.60	107.70	89.88
July	124.00	93.50	118.40	93.00
August	99.10	85.10	97.68	86.41
September	89.25	62.30	89.98	68.75
October	72.50	57.90	84.35	67.20
November	87.90	63.55	90.28	73.75
December	83.20	72.25	82.10	75.00
<b>2023</b>				
January	114.00	79.85	100.00	79.41
February	107.50	82.60	97.43	81.56
March	89.30	72.55	85.54	72.79
April (up to the Latest Practicable Date)	92.80	77.75	88.83	75.90

**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 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 Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to repurchase A Shares and/or H Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the PRC.

## **7. TAKEOVERS CODE**

If as a result of a repurchase of A Shares and/or H Shares pursuant to the 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.

To the best knowledge of the Company, having taking into account the voting rights held or controlled by the Founding Individuals as at the Latest Practicable Date, the Directors consider that the increase in aggregate control over the voting rights of the Founding Individuals in the event that the Directors exercise the proposed Repurchase Mandate in full would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Under the Administration of the Takeover of Listed Companies Procedures (《上市公司收購管理辦法》) in the PRC, where the repurchase of shares from specific shareholders by a listed company according to the determined price approved by the general meeting of shareholders results in reduction of share capital, thereby rendering the equity held by the investor in the company exceeding 30% of the issued shares of that company, the investor is exempted from making a tender offer. In the event of any intention to increase the shareholding by means other than tender offer, a general tender offer shall be sent out. Therefore, where the Repurchase Mandate is exercised in full and the aggregate control over voting rights of the Founding Individuals would be increased to approximately 24.41%, the Founding Individuals will have no obligation to extend general tender offer to other shareholders.

Save as disclosed above, the Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate.

Further, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Hong Kong Stock Exchange.

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

As disclosed in the announcement of the Company dated December 30, 2022, due to 134 incentive participants under the 2018 A Share Incentive Plan and the 2019 A Share Incentive Plan either departing before the expiry of the relevant lock-up periods or being unable to satisfy the performance appraisal target at the individual level for 2021, the Board has approved the repurchase and cancellation of an aggregate of 662,228 Restricted A Shares granted under the 2018 A Share Incentive Plan and the 2019 A Share Incentive Plan, which comprise:

- (i) 4,517 Restricted A Shares granted under the initial grant of the 2018 A Share Incentive Plan at the repurchase price of RMB18.17 per A Share (being the price of grant of such Restricted A shares as adjusted after considering factors including the relevant profit distribution conducted by the Company);
- (ii) 35,272 Restricted A Shares granted under the reserved grant of the 2018 A Share Incentive Plan at the repurchase price of RMB18.34 per A Share (being the price of grant of such Restricted A shares as adjusted after considering factors including the relevant profit distribution conducted by the Company);
- (iii) 576,474 Restricted A Shares granted under the initial grant of the 2019 A Share Incentive Plan at the repurchase price of RMB18.34 per A Share (being the price of grant of such Restricted A shares as adjusted after considering factors including the relevant profit distribution conducted by the Company); and
- (iv) 45,965 Restricted A Shares granted under the reserved grant of the 2019 A Share Incentive Plan at the repurchase price of RMB33.04 per A Share (being the price of grant of such Restricted A shares as adjusted after considering factors including the relevant profit distribution conducted by the Company),

pursuant to the relevant provisions of the 2018 A Share Incentive Plan and the 2019 A Share Incentive Plan. The repurchase and cancellation of the above-mentioned Restricted A shares have been completed on January 5, 2023.

Save as disclosed above, during the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Hong Kong Stock Exchange, Shanghai Stock Exchange or otherwise).

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## APPENDIX XII PARTICULARS OF SHAREHOLDER REPRESENTATIVE SUPERVISORS PROPOSED FOR RE-ELECTION

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Biographical details of the candidates proposed to be re-elected or elected as Shareholder representative Supervisors and Ms. Zhu as an employee representative Supervisor as required under Rule 13.51(2) of the Listing Rules are set out as follows:

**Mr. Harry Liang He (賀亮)**, aged 56, is currently the executive director of the chief operating officer's office and has been serving as the chairman of the Supervisory Committee since March 2017.

From 1991 to 1995, Mr. He served as a chemical analyst in the GTI Environmental Laboratory in California, United States. From 1996 to 2005, he served as a senior chemical testing engineer, data management manager and as an acting manager of the public works environment laboratory at Shaw Environmental & Infrastructure Inc in the State of California of the United States. Since 2005, he has been serving in the Company (including its predecessor), and has served in roles including an assistant president, an executive director of the president's office, the deputy director of the operation department and the head of operations management of the Waigaoqiao site of the Company, the head of supply chain risk control management team of the Company's China risk control department, an executive director of the chief operating officer's office of the Company.

Mr. He obtained a bachelor's degree in chemistry from Beijing University of Chemical Technology in the PRC.

As at the Latest Practicable Date, Mr. He was interested in 29,670 H Shares within the meaning of Part XV of the SFO.

**Mr. Baiyang Wu (吳柏楊)**, aged 58, has been serving as a Supervisor since August 2020.

From 2000 to 2019, Mr. Wu served in the Company (including its predecessor), as a senior manager of commercial development team, a senior manager of government affairs and policy research department of the Company.

Mr. Wu obtained a bachelor's degree in mechanics from Peking University in the PRC.

**Ms. Minfang Zhu (朱敏芳)**, aged 51, has been serving as a Supervisor since March 2017.

Since 2001, she has been serving in the Company (including its predecessor), and has served in roles including a finance assistant manager, a finance manager, a finance senior manager, a human resources director of the Company.

Ms. Zhu obtained an associate degree in financial management from Jiangsu Radio and Television University (江蘇廣播電視大學) in the PRC.

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**APPENDIX XII PARTICULARS OF SHAREHOLDER REPRESENTATIVE SUPERVISORS PROPOSED FOR RE-ELECTION**

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As at the Latest Practicable Date, Ms. Zhu was interested in 10,110 H Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters in relation to the proposed re-election of Mr. He and Mr. Wu as Shareholders representative Supervisors and the re-election of Ms. Zhu as an employee representative Supervisor which would require disclosure under Rule 13.51(2) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited or matters which ought to be brought to the attention of the Shareholders.

The following is the full text of the Scheme Rules for the purpose of incorporation in this circular. In case of any discrepancies between the Chinese and English versions of the Scheme Rules, the English version shall prevail.

## **1. DEFINITIONS AND INTERPRETATION**

1.1 In these Scheme Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“2022 Scheme”	the H Share award and trust scheme adopted by the Company in accordance with the 2022 Scheme Rules on October 13, 2022
“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 Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Rule 14.1 of the Scheme Rules, the consideration receivable under the related scheme or offer
“Adoption Date”	the date on which the Shareholders approved this Scheme
“Articles”	the articles of association of the Company as amended from time to time
“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 Scheme Rules
“Award Letter”	shall have the meaning as set out in Rule 7.2 of the Scheme Rules
“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the 10th anniversary of the Adoption Date

“Award Shares”	the H Shares granted to a Selected Participant in an Award
“Board”	the board of directors of the Company (please also refer to Rule 1.2(f) of the Scheme Rules), from time to time
“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)
“Delegatee”	the Executive Committee, person(s) or board committee(s) to which the Board has delegated its authority
“Director(s)”	the director(s) of the Company, from time to time
“Eligible Employee”	any individual, being a Director, supervisor, senior management, 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 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 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 to which the Board has delegated its authority to administer the 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 member of the Group shall be construed accordingly
“H Shares”	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 Scheme, or such H Shares being deemed to be Returned Shares under the Scheme Rules
“Scheme”	the H Share Award and Trust Scheme adopted by the Company in accordance with these Scheme Rules on the Adoption Date
“Scheme Limit”	shall have the meaning set out in Rule 15.1 of the Scheme Rules

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**APPENDIX XIII      RULES OF THE 2023 H SHARE AWARD AND TRUST SCHEME**

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“Scheme Rules”	the rules set out herein relating to the Scheme as amended from time to time
“Selected Participant”	any Eligible Employee who, in accordance with Rule 6 of the Scheme Rules, is approved for participation in the Scheme and has been granted any Award
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary” or “Subsidiaries”	any subsidiary (as the term is defined in the Listing Rules) of the Company
“Taxes”	shall have the meaning as set out in Rule 9.11 of the Scheme Rules
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Scheme Trustee (as may be restated, supplemented and amended from time to time)
“Scheme Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Maples Trustee Services (Cayman) Limited, a company incorporated in the Cayman Islands and having its registered office at Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands

“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 as set out in the relevant Award Letter pursuant to Rule 7.1 of the Scheme Rules, unless a different Vesting Date is deemed to occur in accordance with Rule 14.1 of the Scheme Rules
“Vesting Notice”	shall have the meaning as set out in Rule 9.7 of the Scheme Rules
“Vesting Period”	shall have the meaning as set out in Rule 9.2 of the Scheme Rules

\* *For identification purpose only*

1.2 In these Scheme Rules, except where the context otherwise requires:

- (a) references to Rules are to rules of the Scheme Rules;
- (b) references to times of the day are to Hong Kong time;
- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- (d) a reference to “dollars” or to “\$” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
- (e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
- (f) unless otherwise indicated, the Board can make determinations in its sole and absolute discretion and if the Board delegates its authority to administer the Scheme to the Delegatee, such Delegatee shall enjoy the same sole and absolute discretion;

- (g) a reference to “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation; and
- (j) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## **2. GENERAL INTRODUCTION AND PURPOSE OF THE SCHEME**

- 2.1 The Scheme is a share award of H Shares and trust scheme established by the Company to award Eligible Employees, who could be Directors, supervisors, senior management, mid-level managers, basic-level managers, backbone members of the scientists, or other technicians.
- 2.2 A Trust Deed will be entered into between the Company and the Scheme Trustee, being Maples Trustee Services (Cayman) Limited initially. Pursuant to the Trust Deed, the Trust will be constituted to service the Scheme whereby the Scheme Trustee shall assist with the administration of the Scheme and shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire such underlying H Shares of the Scheme 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 in accordance with Rule 8, provided that the maximum number of H Shares to be so acquired by the Scheme Trustee shall be determined by the Board and/or the Delegatee and which shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder. Award Shares underlying the Awards granted to the Selected Participants which are acquired by the Scheme Trustee shall be held by the Scheme Trustee on trust for the benefit of the Selected Participants, and the Scheme Trustee shall, for the purposes of vesting of the Award and upon the instruction of the Board or the Delegatee, release from the Trust the Award Shares to the Selected Participants or sell the number of Award Shares so vested on-market at the prevailing market price and pay the Selected Participants the proceeds in cash arising from such sale in accordance with Rule 9 and relevant provisions under the Trust Deed.

2.3 The purposes of the Scheme are:

- (a) 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;
- (b) 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
- (c) to (i) recognize the contributions to the Company of the prudent management of the Company including the Directors; (ii) 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 (iii) introduce additional incentive for the management of the Company by aligning the interests of the management of the Company to that of the Shareholders and the Group as a whole.

### **3. CONDITIONS**

3.1 The Scheme is conditional upon the passing of a resolution by the Shareholders to approve the adoption of the Scheme and to authorise the Board to grant Awards under the Scheme and to procure the transfer of and otherwise deal with the Award Shares in connection with the Scheme.

### **4. DURATION**

4.1. Subject to Rules 9.5 and 20, the Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.

**5. ADMINISTRATION**

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

- (a) 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 Scheme. The general meeting of the Shareholders may authorize the Board and/or the Delegatee to deal with all matters related to the Scheme to the extent of its authority;
- (b) the Board is the institution in charge of the administration of the Scheme in accordance with the 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 reviewing and/or approving matters relating to the Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Scheme, the Board will submit the Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee may handle all matters related to the Scheme within the authorization by the general meeting of the Shareholders;
- (c) the independent non-executive Directors are the supervisory institution of the Scheme and shall evaluate and communicate their views considering the position of Shareholders on whether the Scheme facilitates the sustainable development of the Company and whether the 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 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
- (d) the Trust will be constituted to service the Scheme whereby the Scheme Trustee shall, subject to the relevant provisions of the Trust Deed 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 Scheme Trustee shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder.

- 5.2 The authority to administer the Scheme may be delegated by the Board to the Delegatee as deemed appropriate in the sole and absolute discretion of the Board, provided that nothing in this Rule 5.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1(b).
- 5.3 Subject to any restrictions in the Scheme Rules, it is noted that as at the Adoption Date the Board has delegated to the Executive Committee the authority to administer the Scheme, including the power to grant an Award under the Scheme.
- 5.4 Without prejudice to the Board's general power of administration, the Board or the Delegatee may from time to time appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of the Scheme, to whom they, in their sole and absolute discretion, may delegate such functions relating to the administration of the Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board in its sole and absolute discretion from time to time.
- 5.5 Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the Delegatee may also from time to time appoint one or more Trustees in respect of granting, administration or vesting of any Award Shares.
- 5.6 Subject to the Scheme Rules, the Listing Rules and any applicable laws and regulations, the Board or the Delegatee shall have the power from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Awards granted under the Scheme;
  - (b) pursuant to Rule 15.1, determine the maximum number of H Shares to be acquired by the Scheme Trustee which shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder;
  - (c) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
  - (d) decide how the vesting of the Awards Shares will be settled pursuant to Rule 9;

- (e) determine the basis of eligibility of any Eligible Employee for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- (f) grant Awards to those Eligible Employees whom it shall select from time to time;
- (g) determine the terms and conditions of the Awards;
- (h) establish, assess and administer performance targets in respect of the Scheme;
- (i) approve the form and content of an Award Letter;
- (j) adjust the number of outstanding Award Shares or accelerate the Vesting Dates of any Awards pursuant to Rule 14;
- (k) exercise any authority as may be granted by the Shareholders from time to time;
- (l) engage bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the Scheme; and
- (m) sign, execute, amend and terminate all documents relating to the Scheme, undertake all procedures relevant to the Scheme and take such other steps or actions to give effect to the terms and intent of the Scheme Rules.

5.7 None of the Directors or any Delegatee shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each member of the Board and any Delegatee in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own wilful default, fraud or bad faith.

5.8 In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules and all applicable PRC laws, regulations and rules.

**6. SELECTION OF SELECTED PARTICIPANT**

- 6.1 The Board or the Delegatee may, from time to time, select any Eligible Employee to be a Selected Participant and, subject to Rule 6.3, grant an Award to such Selected Participant during the Award Period conditional upon fulfilment of the terms and conditions of the Awards and performance targets as the Board or the Delegatee determines from time to time.
- 6.2 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, 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 Scheme if he:

- (a) 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;
  - (b) 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
  - (c) 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.
- 6.3 Notwithstanding the provision in Rule 6.1 and Rule 6.2, no grant of any Award Shares to any Selected Participant may be made and no directions or recommendations shall be given to the Scheme Trustee with respect to a grant of an Award under the circumstances below, and any such grant so made or any such direction or recommendation so given shall be null and void to the extent (and only to the extent) that it falls within the circumstances below:
- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted;

- (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;
- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Award would result in a breach of the Scheme Limit;
- (e) after the expiry of the Award Period or after the earlier termination of this Scheme in accordance with Rule 20;
- (f) 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;
- (g) 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
- (h) 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.

## **7. AWARD LETTER AND NOTIFICATION OF GRANT OF AWARDS**

7.1 Subsequent to the obtaining of the Shareholders' approval in connection with the proposed adoption of the Scheme, the Company will transfer the necessary funds (being the Scheme Limit) for the Scheme 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 Scheme. The grant of Awards to the Selected Participants shall be subject to the fulfilment of the conditions as determined by the Board and/or the Delegatee to be set out in the Award Letter. In this regard, if the 2023 Scheme is approved by the Shareholders, the Executive Committee of the Company, to whom the Board will delegate its authority to administer the 2023 Scheme, will set the conditions

for the grant of Awards to the Selected Participants to take effect (the “**Conditions of Grant**”) as (i) the year-on-year growth of the revenue realized by the Group for the year 2023 being not less than 5%, and (ii) the year-on-year growth of the adjusted non-IFRS gross profit realized by the Group for the year 2023 being not less than 12%. If the Conditions of Grant cannot be satisfied, the relevant grant of Awards to such selected Participants will not take effect and the Scheme 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 2024 H Share award and trust scheme of the Company (with terms and mechanism similar to the Scheme) (if any).

7.2 The Company shall issue a letter 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 accordance with this Scheme (an “**Award Letter**”).

7.3 As soon as practicable after the grant of any Award to a Selected Participant, the Company shall provide a fully executed copy of the Award Letter to the Scheme Trustee.

## **8. ACQUISITION OF H SHARES BY THE SCHEME TRUSTEE**

8.1 Subject to Rule 8.4 and Rule 15.1, 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 Scheme Trustee to acquire H Shares through on-market transactions at the prevailing market price. Subject to Rule 14, the Company shall instruct the Scheme 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, subject to Rule 8.3 as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Scheme Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

8.2 Where the Scheme Trustee has received instructions from the Company to acquire H Shares through on-market transactions, the Scheme Trustee shall acquire such number of H Shares as instructed by the Company on-market at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Company.

8.3 The Scheme Trustee shall only be obliged to transfer Award Shares to Selected Participants on vesting to the extent that Award Shares are comprised in the Trust.

8.4 The Company shall not instruct the Scheme Trustee to acquire H Shares through on-market transactions at the prevailing market price, where (i) such action (as applicable) is prohibited under the Listing Rules, other applicable PRC laws, regulations and rules, the SFO or any other applicable laws from time to time; or (ii) during such periods as stated in Rules 6.3(g) and (h). Where such a prohibition causes the prescribed timing imposed by the Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.

**9. VESTING OF AWARD**

9.1 The Board or the Delegatee may from time to time while the Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the Award to be vested hereunder.

9.2 Unless otherwise specified in the Award Letter approved by the Board or the Delegatee, the vesting periods (each a “**Vesting Period**”) of the Awards granted under the Scheme are as follows.

(a) For Awards to be granted to Selected Participants who are Eligible Employees as at the Adoption Date:

	<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 Adoption Date; 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%

- 9.3 Vesting of the Award granted under the Scheme is subject to conditions of the individual performance indicators of the Selected Participants as set out in this Rule 9.3, 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 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 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 x 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 “meet expectations”) or above is 100% whereas the coefficient for individual performance appraisal results below grade B- is 0.

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 Scheme Trustee as Returned Shares for application towards future Awards in accordance with the Scheme rules for the purpose of the Scheme.

- 9.4 If the Vesting Date is not a Business Day, the Vesting Date shall, subject to any trading halt or suspension in the H Shares, be the Business Day immediately thereafter.
- 9.5 For the avoidance of doubt, the Vesting Periods of the Awards granted under any subsequent grant of the 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.
- 9.6 For the purposes of vesting of the Award, the Board or the Delegatee may either:
- (a) direct and procure the Scheme 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
  - (b) 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 Scheme Trustee’s ability to give effect to any such transfer to the Selected Participant, the Board or the Delegatee will direct and procure the Scheme 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.
- 9.7 Except in the circumstances as set out in Rule 9.11, barring any unforeseen circumstances, within a reasonable time period as agreed between the Scheme 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 a vesting notice (the “**Vesting Notice**”). The Board or the Delegatee shall forward a copy of the Vesting Notice to the Scheme

Trustee and instruct the Scheme 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.

- 9.8 Except in the circumstances as set out in Rule 9.11, subject to the receipt of the Vesting Notice and the instructions from the Board or the Delegatee, the Scheme 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 within any time stipulated in Rule 9.7 above and pay the Actual Selling Price to the Selected Participant within a reasonable time period in satisfaction of the Award.
- 9.9 Any stamp duty or other direct costs and expenses arising on vesting and transfer of the Award Shares to or for the benefit of the Selected Participants shall be borne by the Company. Any duty or other direct costs and expenses arising on the sale of the Award Shares due to the vesting shall be borne by the Selected Participant.
- 9.10 All costs and expenses in relation to all dealings with the Award Shares after vesting and transfer of the Award Shares to the Selected Participant (as the case may be) shall be borne by the Selected Participant and neither the Company nor the Scheme Trustee shall be liable for any such costs and expenses thereafter.
- 9.11 Other than the stamp duty to be borne by the Company in accordance with Rule 9.9, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the Scheme or in relation to the Award Shares or cash amount of equivalent value of the Award Shares (the "**Taxes**") shall be borne by the Selected Participant and neither the Company nor the Scheme Trustee shall be liable for any Taxes. The Selected Participant will indemnify the Scheme Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Scheme Trustee or any member of the Group may, notwithstanding anything else in these Scheme Rules (but subject to applicable law):
- (a) reduce or withhold the number of the Selected Participant's Award Shares underlying the Award (the number of Award Shares underlying the Award that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);

- (b) sell, on the Selected Participant's behalf, such number of H Shares to which the Selected Participant becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
- (d) require the Selected Participant to remit to any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Scheme Trustee shall not be obliged to transfer any Award Shares (or pay the Actual Selling Price of such Award Shares in cash) to a Selected Participant unless and until the Selected Participant satisfies the Scheme Trustee and the Company that such Selected Participant's obligations under this Rule have been met.

## **10. CHANGES OF CIRCUMSTANCES PERTAINING TO THE SELECTED PARTICIPANTS**

10.1 If a Selected Participant changes his/her job position in the Group, the outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion. However, if a Selected Participant has a change in job position due to any of the following reasons:

- (a) he/she is not qualified for his/her job;
- (b) violates laws, violates professional ethics, reveals confidential information of the Company;
- (c) fails to discharge his/her duties or has committed wilful misconduct, materially violates the policies of the Group;
- (d) causing damages to the interest or reputation of the Group; or

(e) the Group terminates his/her employment contract for any of the above reasons,

any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.

10.2 If a Selected Participant ceases to be an Eligible Employee by reason of disqualification from participating in the Scheme due to any of the reasons set forth in Rule 6.2 under which no one should be considered as a Selected Participant, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.

10.3 If a Selected Participant ceases to be an Eligible Employee by reason of leaving the Group due to resignation or redundancy, expiration or termination of labor contract by the Group, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.

10.4 If a Selected Participant ceases to be an Eligible Employee by reason of termination of the Selected Participant's employment or contractual engagement with the Group or resignation due to incapacity resulting from work injury, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.

10.5 If a Selected Participant ceases to be an Eligible Employee by reason of termination of the Selected Participant's employment or contractual engagement with the Group or resignation due to incapacity not resulting from work injury, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.

10.6 Subject to Rules 10.12 and 12.1(f), if a Selected Participant ceases to be an Eligible Employee by reason of death of the Selected Participant due to work injury, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion. The individual performance appraisal results of such Selected Participant will no longer be included as vesting conditions.

- 10.7 If a Selected Participant ceases to be an Eligible Employee by reason of death of the Selected Participant not due to work injury, on the date of the occurrence of such event, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.
- 10.8 If a Selected Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.
- 10.9 If a Selected Participant fails, during the course of his employment, to devote whole of his time and attention to the business of the Group or to use his best endeavours to develop the business and interests of the Group (as determined by the Board or the Delegatee in its sole and absolute discretion), any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.
- 10.10 If a Selected Participant is in breach of his contract of employment of the Group or any other obligation to the Group (including without limitation the restrictive covenants as set out in Rule 13), any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.
- 10.11 If a Selected Participant ceases to be an Eligible Employee for reasons other than those set out in Rules 10.1 to 10.10, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise in its sole absolute discretion.
- 10.12 In the event that an Award or any part thereof to a Selected Participant vests by reason of the death of such Selected Participant, the Scheme Trustee shall hold such number of Awards Shares as are equal to the vested Award Shares or the Actual Selling Price (hereinafter referred to as “Benefits”) on trust and to transfer the same to the legal personal representatives of the Selected Participant within two years of the death of the Selected Participant (or such longer period as the Scheme Trustee and the Company shall agree from time to time) or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held by the Scheme Trustee as Returned Shares or funds of the Trust for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof

shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Scheme Trustee in every way as if they had remained part of the Trust.

10.13 The Company shall, from time to time, inform the Scheme Trustee in writing, the date in which such Selected Participant ceased to be an Eligible Employee and any amendments to the terms and conditions of the Award in respect to such Selected Participant (including the number of Award Shares entitled).

10.14 If a Selected Participant's employment relationship with the Group is terminated by any reason, (i) all Award Shares so vested shall be sold, on-market at the prevailing market price, within three months of such termination of employment relationship with the Group; and (ii) after the expiry of the three month period as set out in Rule 10.14(i), the Company reserves the right to direct and procure the Scheme Trustee to sell, on-market and at the prevailing market price, all Award Shares so vested but not sold by the Selected Participant pursuant to Rules 9 and 10.14(i).

## **11. TRANSFERABILITY AND OTHER RIGHTS TO AWARD SHARES**

11.1 Any Award granted hereunder 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.

11.2 Any actual or purported breach of Rule 11.1 shall entitle the Company to cancel any outstanding Award or part thereof granted to such Selected Participant without any compensation or replacement award as stated in Rule 19.1. For this purpose, a determination from the legal department of the Company or such other person(s) delegated this function by the Board, to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant.

## **12. INTEREST IN THE ASSETS OF THE TRUST**

12.1 For the avoidance of doubt:

- (a) a Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with Rules 9 and 14;

- (b) no instructions may be given by a Selected Participant to the Scheme Trustee in respect of the Award or any other property of the Trust and the Scheme Trustee shall not follow instructions given by a Selected Participant to the Scheme Trustee in respect of the Award or any other property of the Scheme Trust;
- (c) neither the Selected Participant nor the Scheme Trustee may exercise any voting rights attached to any H Shares held by the Scheme Trustee under the Trust (including any Award Shares that have not yet vested);
- (d) 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 Scheme Trustee for the benefit of the Scheme, including but not limited to the payment of costs in connection with the operations of the Scheme such as the fees of professional parties engaged by the Company for the purpose of this Scheme from time to time;
- (e) a Selected Participant shall have no rights in the balance of the fractional shares arising out of consolidation of H Shares (if any) and such H Shares shall be deemed as Returned Shares for the purposes of the Scheme;
- (f) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period prescribed in Rule 10.12 and the legal personal representatives of the Selected Participant shall have no claims against the Company or the Scheme Trustee; and
- (g) in the event a Selected Participant ceases to be an Eligible Employee on or prior to the relevant Vesting Date and the Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company or the Scheme Trustee, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.

### **13. RESTRICTIVE COVENANTS**

13.1 By accepting any Award granted pursuant to the Scheme, a Selected Participant shall be deemed to have made the restrictive covenants set forth in this Rule 13 to and for the benefit of the Group.

13.2 The Selected Participant hereby undertakes to the Group that he will not at any time whilst an employee, director, shareholder or otherwise interested in the Group (save in so far as is reasonably necessary to fulfil his duties to the Group) or at any time thereafter, directly or indirectly use or disclose or communicate to any person any information concerning the affairs, business methods, processes, systems, inventions, plans or research and development of the Group or those of its customers, clients or suppliers and which may be reasonably regarded as being confidential to the Group or to such persons (other than information which he is required to be disclosed by law or which is for the relevant time being in the public domain other than by reason of wrongful disclosure of the same by him) and will use his best endeavours to prevent the publication or disclosure of any such information by any third party.

13.3 The Selected Participant undertakes to the Group that he will not, except with the prior written approval of the Company, be directly or indirectly concerned with or engaged or interested in any other business which is in any respect in competition with or similar to the business of the Group during his employment with the Group, save that this restriction shall not apply to any holding of H Shares or other securities in the Company.

13.4 The Selected Participant undertakes to the Group that:

- (a) for so long as he is employed by the Company or any other member within the Group he will devote his full time and attention to the business of the Group and will use his best endeavours to develop the business and interests of the Group and will not be concerned with any other (competitive or other) business; and
- (b) upon his ceasing (for any reason) to be employed by the Group he will not for a period of two (2) years from the date he ceases to be so employed, whether on his own account or on behalf of any other person, firm or company:
  - i. solicit (in connection with any business of a type then carried on by the Group) interfere with or endeavour to entice away from any member within the Group any person, firm or company who at any time during the period of one year immediately preceding such cessation, was to his knowledge a material customer, client, supplier, agent, distributor, or an employee or consultant (by whatever title called) of a member within the Group;
  - ii. seek to interfere with the continuance of the supply of goods or services to any member within the Group or the terms of any such supply; or

- iii. carry on, engage in or be concerned or interested either as principal or agent or as a shareholder, partner or employee of any other person in any business or activity which involves the offer, sale or supply of products or services to customers in the PRC or any other territory in which the Group offers such sale or supply for the relevant time being, competes with the business in which any member within the Group is or was engaged in the twelve months prior to the date he ceases to be employed by the Group; or
- iv. use or allow the use by any third party of any name, logo or other intellectual property rights used by any member within the Group or any name or logo likely to be confused therewith otherwise than in the conduct of the business of the Group; and
- v. deal in the H Shares which would violate (i) any applicable laws, regulations and rules in any relevant jurisdictions including, without limitation, the SFO, other Hong Kong securities laws, and the U.S. Securities Act of 1933, as amended from time to time, and (ii) any internal policy of the Company in connection with dealing in the H Shares.

13.5 The Selected Participant undertakes to the Group that he shall not, during either the course of his employment by the Group or for a period of two (2) years from the date he ceases to be employed by the Group, make, publish, or otherwise transmit any disparaging or defamatory statements, whether written or oral, regarding the Group or its employees, products, operations, procedures, policies, business or services.

#### **14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.**

##### *Change in control*

14.1 If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, change of actual control of the Company involving reorganization of major assets, the Company no longer exists after merger with another company, or division of the Company, the Board or the Delegatee shall in its sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated. If the Vesting Dates of any Awards are accelerated, the procedures as set out in Rule 9.7 shall apply except that the Vesting Notice will be sent to such Selected Participant affected by this Rule 14.1 based on the

proposed Vesting Date as soon as practicable once the proposed Vesting Date is known. The Scheme Trustee shall transfer the Award Shares or pay the Actual Selling Price in cash, as the case may be, to the Selected Participant in accordance with the Vesting Notice.

For the purpose of Rule 14.1, “control” shall have the meaning as specified in the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

***Open offer and rights issue***

14.2 In the event the Company undertakes an open offer of new securities, the Scheme Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Scheme Trustee shall not take any step to exercise any nil-paid rights and shall sell such nil-paid rights in respect of any H Shares which are held by the Scheme Trustee (if there is an open market for such rights). The aggregate proceeds of such sale may be applied by the Scheme Trustee to purchase H Shares for the purposes of satisfying any further Awards to be from time to time made by the Company under the Scheme and to cover the reasonable costs and expenses of the Scheme Trustee in the performance of its duties under the Trust Deed.

***Bonus warrants***

14.3 In the event the Company issues bonus warrants in respect of any H Shares which are held by the Scheme Trustee, the Scheme Trustee shall not, unless otherwise instructed by the Company, subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

***Scrip Dividend***

14.4 In the event the Company undertakes a scrip dividend scheme, the Scheme Trustee shall elect to receive the scrip Shares and such H Shares will be held as Returned Shares.

***Capitalization Issue, Consolidation, Sub-division, Bonus Issue and Other Distribution***

14.5 In the event the Company undertakes a capitalization issue, sub-division, consolidation or reduction of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to

prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

14.6 In the event of an issue of H Shares by the Company credited as fully paid to the holders of the H Shares by way of capitalisation of profits or reserves (including share premium account), the H Shares attributable to any Award Shares held by the Scheme Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Scheme Trustee as if they were Award Shares purchased by the Scheme Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

14.7 In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Scheme Trustee to purchase H Shares on-market at the prevailing market price to satisfy the additional Award.

14.8 In the event of other non-cash and non-scrip distributions made by the Company not otherwise referred to in the Scheme Rules in respect of the H Shares held upon Trust, the Scheme Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as cash income of an H Share held upon the Trust.

***Voluntary winding-up***

14.9 If an effective resolution is passed during the Award Period for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), the Board or the Delegatee shall in its sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated and whether the Selected Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Shareholders such sum as they would have received in respect of the Awards.

***Compromise or arrangement***

14.10 If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such shareholders' approval is obtained, the Board or the Delegatee shall in its sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated.

**15. SCHEME LIMIT**

15.1 The maximum size of the Scheme shall be the maximum number of H Shares that will be acquired by the Scheme Trustee through on-market transactions from time to time at the prevailing market price pursuant to Rule 8.1 with funds in the amount of not more than HK\$2 billion, provided that the maximum number of H Shares to be so acquired by the Scheme Trustee shall be determined by the Board and/or the Delegatee and which shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder (the "**Scheme Limit**"). 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 Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed the Scheme Limit without Shareholders' approval.

**16. RETURNED SHARES**

16.1 The Scheme Trustee shall hold Returned Shares to be applied towards future Awards in accordance with the provisions hereof for the purpose of the Scheme. When H Shares have been deemed to be Returned Shares under the Scheme Rules, the Scheme Trustee shall notify the Company accordingly.

**17. INTERPRETATION**

17.1 Any decision to be made under the Scheme, including matters of interpretation with respect to the Scheme Rules, shall be made by the Board or the Delegatee. The decision by the Board shall be final and binding.

**18. ALTERATION OF THE SCHEME**

18.1 Subject to the Scheme Limit, the 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 Scheme Rules, except:

- (a) with the consent in writing of Selected Participants amounting to more than half of the nominal value of all Award Shares held by the Scheme Trustee on that date; or
- (b) 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 Scheme Trustee on that date.

18.2 Where the Board or the Delegatee alters the Scheme, the independent non-executive Directors shall express independent opinion on whether the altered Scheme facilitates the sustainable development of the Company and whether the altered Scheme impairs the interests of the Company and the Shareholders as a whole.

18.3 For the avoidance of doubt, the change in the subsisting rights of a Selected Participant in Rule 18.1 refers solely to any change in the rights in respect of the Award Shares already granted to a Selected Participant and the determination of whether any proposed alteration is material and adverse by the Board or the Delegatee shall be conclusive.

18.4 For any such meeting of Selected Participants referred to in Rule 18.1, all the provisions of the Articles as to general meetings of the Company shall apply mutatis mutandis as though the H Shares then held by the Scheme Trustee on behalf of Selected Participants were a separate class of shares forming part of the share capital of the Company except that:

- (a) not less than 7 days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two Selected Participants present in person or by proxy;
- (c) every Selected Participant present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Award Share awarded to him or her and held by the Scheme Trustee (but, for the avoidance of doubt, excluding for this purpose any Returned Shares);

- (d) any Selected Participant present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, being not less than 7 nor more than 14 days thereafter, and to such place as may be appointed by the chairman of the meeting (as appointed by the Board). At any adjourned meeting those Selected Participants who are then present in person or by proxy shall form a quorum provided that Rule 18.4(b) shall be complied with in the event of any such adjournment. At least 7 days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Selected Participants who are then present in person or by proxy shall form a quorum provided that Rule 18.4(b) shall be complied with.

## **19. CANCELLATION OF AWARDS**

19.1 The Board or the Delegatee may in its sole and absolute discretion cancel any Award that has not vested or been forfeited, provided that:

- (a) the Company or any member of the Group pay to the Selected Participant an amount equal to the fair value of the Award at the date of the cancellation as determined by the Board, after consultation with the auditors or an independent financial adviser appointed by the Board;
- (b) the Company or the relevant member of the Group provides to the Selected Participant a replacement award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the Awards to be cancelled; or
- (c) the Board makes any arrangement as the Selected Participant may agree in order to compensate him/her for the cancellation of the Awards.

## **20. TERMINATION**

20.1 Subject to Rule 4, the Scheme shall terminate on the earlier of:

- (a) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the 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 Scheme; and

(b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this Rule 20.1(b) refers solely to any change in the rights in respect of the Award Shares already granted to a Selected Participant.

20.2 On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made under the Scheme, the Scheme Trustee shall sell all the H Shares remaining in the Trust within a reasonable time period as agreed between the Scheme Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Rule 20.2 and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Scheme Trustee shall not transfer any H Shares to the Company nor may the Company otherwise hold any H Shares whatsoever (other than the proceeds in the sale of such H Shares pursuant to this Rule 20.2).

20.3 Subsequent to the termination of the Scheme, the Company reserves the right to direct and procure the Scheme Trustee to sell, on-market and at the prevailing market price, (i) all Award Shares which have vested prior to the termination of the Scheme and not been sold by the Selected Participants as at the date of the termination of the Scheme; and (ii) Award Shares granted hereunder but not vested as at the date of the termination of the Scheme but which have subsequently been vested to the Selected Participants pursuant to Rules 9 and 20.1(a) above and not been sold by the Selected Participants within three months after such vesting.

## **21. MISCELLANEOUS**

21.1 The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Employee, and the rights and obligations of any Eligible Employee under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he/she may have to participate in it and the Scheme shall afford such Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- 21.2 The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 21.3, expenses incurred in the purchase of H Shares by the Scheme Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of H Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Employee in respect of any sale, purchase, vesting or transfer of H Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.
- 21.3 Any notice or other communication between the Company and any Eligible Employee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in Hong Kong or the PRC or such other address as notified to the Eligible Employee from time to time and in the case of an Eligible Employee, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice (including the Vesting Notice) or other communication from the Company to any Eligible Employee or Selected Participant may be given by any electronic means through the Scheme Trustee, as the Board considers appropriate.
- 21.4 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- 21.5 The Company shall not be responsible for any failure by any Eligible Employee to obtain any consent or approval required for such Eligible Employee to participate in the Scheme as a Selected Participant or for any Tax, expenses, fees or any other liability to which an Eligible Employee may become subject as a result of participation in the Scheme.
- 21.6 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.

- 21.7 The Scheme constitutes a share award scheme involving existing Shares of the Company as defined and regulated under Chapter 17 of the Listing Rules.
- 21.8 Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Award Shares themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against the Group. No person shall, under any circumstances, hold the Board or the Delegatee and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 21.9 In the event that an Award lapses in accordance with the Scheme Rules, no Selected Participants shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise have enjoyed.
- 21.10 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 21.11 By participating in the Scheme, the Selected Participant consents to the holding, processing, storage and use of personal data or information concerning him or her by any member of the Group, the Scheme Trustee or other third party service provider, in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Selected Participant;
  - (b) the provision of data or information to members of the Group, the Scheme Trustee, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
  - (c) the provision of data or information to future purchasers or merger partners of the Company, the Selected Participant's employing company, or the business in which the Selected Participant works;
  - (d) the transfer of data or information about the Selected Participant to a country or territory outside the Selected Participant's home country which may not provide the same statutory protection for the information as his home country; and

- (e) in the case where an announcement is required to be made or a circular is required to be despatched pursuant to the Listing Rules or other applicable laws, rules and regulations for the purposes of granting an Award, the disclosure of the identity of such Selected Participant, the number of Award Shares and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules or other applicable laws, rules and regulations.

The Selected Participant is entitled, on payment of a reasonable fee, to a copy of the personal data held about him or her, and if such personal data is inaccurate, the Selected Participant has the right to have it corrected.

## **22. DISPUTE**

- 22.1 The Board shall determine any question of interpretation and settle any dispute arising under or in connection with this Scheme. In such matters, the Board's decision shall be final.

## **23. GOVERNING LAW**

- 23.1 The Scheme shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the PRC.

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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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)**

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the “AGM”) of WuXi AppTec Co., Ltd.\* (無錫藥明康德新藥開發股份有限公司) (the “Company”) will be held at Sheraton Shanghai Waigaoqiao Hotel, 28 Jilong Road, Pilot Free Trade Zone, Shanghai, China on Wednesday, May 31, 2023 at 2:00 p.m. for the following purposes of considering and, if deemed appropriate, approving the following resolutions. In this notice, unless the context otherwise requires, capitalised terms and used herein shall have the same meanings as defined in the Company’s circular (the “Circular”) dated April 27, 2023.

#### ORDINARY RESOLUTIONS

1. to consider and approve the report of the Board of Directors for the year 2022;
2. to consider and approve the report of the Supervisor Committee for the year 2022;
3. to consider and approve the financial report for the year 2022;
4. to consider and approve the proposed 2022 Profit Distribution Plan;
5. to consider and approve the proposed provision of external guarantees for subsidiaries of the Company;
6. to consider and approve the proposed re-appointment of Deloitte Touche Tohmatsu (a special general partnership) (德勤華永會計師事務所(特殊普通合夥)) and Deloitte Touche Tohmatsu (德勤•關黃陳方會計師行), respectively, as PRC financial report and internal control report auditors of the Company and as offshore financial report auditors of the Company for the year 2023 and to authorize the Board to fix their remuneration;
7. to consider and approve the proposed foreign exchange hedging limit;

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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8. to consider and approve the proposed re-election of executive and non-executive Directors for the third session of the Board (cumulative voting system is adopted for these resolutions):
  - (1) to re-elect Dr. Ge Li as an executive Director
  - (2) to re-elect Mr. Edward Hu as an executive Director
  - (3) to re-elect Dr. Steve Qing Yang as an executive Director
  - (4) to re-elect Dr. Minzhang Chen as an executive Director
  - (5) to re-elect Mr. Zhaohui Zhang as an executive Director
  - (6) to re-elect Dr. Ning Zhao as an executive Director
  - (7) to re-elect Mr. Xiaomeng Tong as a non-executive Director
  - (8) to re-elect Dr. Yibing Wu as a non-executive Director;
9. to consider and approve the proposed re-election and proposed election of independent non-executive Directors for the third session of the Board (cumulative voting system is adopted for these resolutions):
  - (1) to re-elect Mr. Dai Feng as an independent non-executive Director
  - (2) to elect Ms. Christine Shaohua Lu-Wong as an independent non-executive Director
  - (3) to elect Dr. Wei Yu as an independent non-executive Director
  - (4) to elect Dr. Xin Zhang as an independent non-executive Director
  - (5) to elect Ms. Zhiling Zhan as an independent non-executive Director;
10. to consider and approve the proposed Directors' remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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11. to consider and approve the proposed re-election of Shareholder representative Supervisors for the third session of the Supervisory Committee (cumulative voting system is adopted for these resolutions):
  - (1) to re-elect Mr. Harry Liang He as a Shareholder representative Supervisor;
  - (2) to re-elect Mr. Baiyang Wu as a Shareholder representative Supervisor;
12. to consider and approve the proposed supervisors' remuneration;
13. to consider and approve the proposed adoption of the 2023 H Share Award and Trust Scheme;
14. to consider and approve the proposed grant of Awards to the Connected Selected Participants under the 2023 H Share Award and Trust Scheme; and
15. to consider and authorize the Board and/or the Delegatee to handle matters pertaining to the 2023 H Share Award and Trust Scheme with full authority, including:
  - (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 Scheme Trustee which shall not exceed 15% (including 15%) above the total number of H Shares acquired by the trustee of the 2022 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 2023 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);

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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- (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 2023 Scheme;
- (vi) to sign, execute, amend and terminate all agreements and other relevant documents in connection with the 2023 Scheme, fulfill all relevant procedures in relation to the 2023 Scheme, and adopt other methods to implement the terms of the 2023 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 2023 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 2023 Scheme Rules and to resolve any issues and disputes arising from or in connection with the 2023 Scheme;
- (x) to exercise any other authorizations in relation to matters necessary to the implementation of the 2023 Scheme granted by the Shareholders' meeting from time to time;
- (xi) (i) to enter into the Trust Deed on behalf of the Company with the Scheme Trustee, pursuant to which the Scheme Trustee will provide trust services for the 2023 Scheme; (ii) to enter into the plan management agreement on behalf of the Company with Computershare Hong Kong Investor Services Limited, pursuant to which Computershare Hong Kong Investor Services Limited will provide plan management services in respect of the 2023 Scheme; and (iii) 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 2023 Scheme by Computershare Hong Kong Investor Services Limited;
- (xii) to, during the validity period of such authorization, delegate its authority to administer the 2023 Scheme to the Executive Committee formed by individuals including, as at the Latest Practicable Date, 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

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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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 or collectively handle all matters in relation to the 2023 Scheme, including but not limited to:

- (a) matters in relation to the 2023 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 2023 Scheme, or providing instructions to the Scheme 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 Scheme 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 matters precedent 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.

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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### SPECIAL RESOLUTIONS

16. to consider and approve the proposed increase of registered capital;
17. to consider and approve the proposed amendments to the Articles of Association;
18. to consider and if thought fit, pass with or without amendments, the following resolution regarding the proposed granting of general mandate to issue A Shares and/or H Shares:

**“THAT:**

- (a) Generally and unconditionally authorizing the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the A Shares and/or H Shares or similar rights separately or simultaneously, and to determine the terms and conditions for allotment, issuance and disposal of new shares or issue similar rights, including but not limited to:
  - (i) Class and number of new Shares to be issued;
  - (ii) Pricing mechanism and/or issue price of the new Shares to be issued (including price range);
  - (iii) The starting and closing dates of such issue;
  - (iv) The class and number of the new shares to be issued to existing Shareholders; and/or
  - (v) To make or authorize the share offer, agreements, share options, conversion rights or other rights (including the relevant rights under the share incentive plans of the Company, unless otherwise required by applicable laws and regulations) that may require the exercise of such rights (the “**General Mandate**”).
- (b) The number of the A Shares or H Shares (excluding the shares issued by way of the conversion of public reserve into share capital) to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board of Directors or the Chairman and its authorized persons separately or simultaneously in accordance with the General Mandate referred to in paragraph (a) above shall not exceed 20%

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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of the number of the A shares and/or H shares of such class in issue of the Company at the time when this resolution is passed at the general meeting of the Company.

- (c) Where the Board of Directors or the Chairman and its authorized persons have, during the effective period of the mandate specified in the paragraph (g) of this resolution, determined to allot, issue and deal with the A shares and/or H shares or similar rights, and the Company also has, during the effective period of the mandate, obtained the relevant approval, permission from, or registration (if applicable) with the regulatory authorities, the Board of Directors of the Company or the Chairman and its authorized persons may, during the effective period of such approval, permission or registration, complete the relevant allotment, issuance and disposal of such shares.
- (d) Authorizing the Board of Directors or the Chairman and its authorized persons to obtain an approval from all relevant government departments and/or regulatory authorities (if applicable) in accordance with the applicable laws as amended from time to time (including but not limited to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the applicable laws and regulations of the regulatory authorities of the places where the shares of the Company are listed) to exercise the General Mandate.
- (e) Authorizing the Board of Directors or the Chairman and its authorized persons to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the allotment, issuance and disposal of any new shares under the above-mentioned General Mandate, handle the necessary procedures and take other necessary actions.
- (f) Authorizing the Board of Directors or the Chairman and its authorized persons to increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association of the Company in accordance with the way, type and number of the allotment and issuance of new shares of the Company and the actual shareholding structure of the Company upon completion of the allotment and issuance of new shares.
- (g) The effective period of the General Mandate shall be from the passing of this resolution to the following date, whichever is earlier:

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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- (i) from the date when this resolution is passed at the AGM until the expiry of 12 months since then;
  - (ii) the date of conclusion of the 2023 annual general meeting of the Company; or
  - (iii) at the time of passing a special resolution by the Shareholders at the general meeting to revoke or vary the mandate under this resolution.”
19. to consider and if thought fit, pass with or without amendments, the following resolution regarding the proposed granting of general mandate to repurchase A Shares and/or H shares:
- “THAT:**
- (a) Subject to the restrictions set forth in paragraph (b) and (c) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to repurchase the A shares listed on the Shanghai Stock Exchange and the H Shares listed on the Hong Kong Stock Exchange, subject to and in accordance with all applicable laws, regulations and rules and/or requirements of the governmental or regulatory body of securities in the PRC, the Hong Kong Stock Exchange and the Shanghai Stock Exchange or any other governmental or regulatory body be and is hereby approved;
  - (b) The aggregate nominal amount of A shares and/or H Shares of the Company authorized to be repurchased by the Company pursuant to the approval mentioned above during the Relevant Period shall not exceed 10% of the number of A shares and/or H Shares of the Company in issue as at the date of the passing of this resolution at the AGM, the A Share Class Meeting and the H Share Class Meeting of the Company, respectively;
  - (c) The first approval mentioned above shall be conditional upon satisfaction of all the following conditions:
    - (i) The passing of a special resolution with the same terms as this resolution at both the H Share Class Meeting and A Share Class Meeting of the Company;
    - (ii) The obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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- (iii) The Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the “Company Law of the People’s Republic of China” and the Articles of Association of the Company. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.
  
- (d) Subject to the approval of all relevant government authorities in the PRC for the repurchase of such shares of the Company being granted and subject to the abovementioned conditions, the Board of Directors be and is hereby authorized to:
  - (i) Formulate and implement the specific repurchase plans, including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase, etc.;
  - (ii) Notify creditors and issue announcements in accordance with the requirements of the relevant laws, regulations, normative documents and the Articles of Association;
  - (iii) Open overseas share accounts and carry out the related changes of foreign exchange registration procedures;
  - (iv) Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed;
  - (v) Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;
  - (vi) Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad; and

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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- (vii) Execute and handle other documents and matters related to the repurchase of shares.
- (e) For the purpose of this resolution, the “**Relevant Period**” means the period from the passing of this resolution at the AGM and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively, until whichever is the earliest of:
  - (i) Upon conclusion of the 2023 annual general meeting of the Company;
  - (ii) The expiration of a period of twelve months following the passing of this resolution at the AGM and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively;
  - (iii) The time at which the authorization conferred by this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting, or by a special resolution of its H shareholders and A shareholders at the H Share Class Meeting and the A Share Class Meeting, respectively.”

**Pursuant to Article 114 of the Articles of Association, cumulative voting system may be adopted for election of more than two of Directors and Supervisors at Shareholders’ general meetings. Cumulative voting system will be adopted for the Resolutions Nos. 8, 9 and 11. Cumulative voting system represents that when directors or supervisors are being elected at a general meeting, each share has as many voting rights as the number of candidates for directors or supervisors, and the shareholders’ voting rights may be used in a concentrated manner. The above voting shall be made as follows:**

- (i) **The total number of valid votes casted by each shareholder attending the meeting in election of directors or supervisors shall be equal to the number of voting shares held by the shareholder multiplied by the number of directors or supervisors to be elected;**
- (ii) **Each shareholder may cast all his votes on single candidate for director or supervisor or spread his votes on different candidates for director or supervisor; and**

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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- (iii) **Votes for single candidate of director or supervisor may be more or less than the number of voting shares held by the shareholder, which do not need to be integral multiples of the number of his shares. However, the accumulative number of the votes for all candidates for directors or supervisors shall not exceed the entitled total number of the valid voting rights in election of directors or supervisors.**

Details of the above resolutions proposed at the AGM are contained in the Circular, which is available on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wuxiapptec.com.cn](http://www.wuxiapptec.com.cn)).

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

Hong Kong, April 27, 2023

*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 purpose only

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 the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
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 certified copy of that power of attorney or authority, must be deposited at the Company’s H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time appointed for the meeting or the adjourned meeting (as the case

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## NOTICE OF ANNUAL GENERAL MEETING OF 2022

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may be) (i.e. not later than 2:00 p.m. on Tuesday, May 30, 2023 (Hong Kong time)). 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 instrument appointing a proxy shall be deemed to be revoked.

4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Thursday, May 25, 2023 to Wednesday, May 31, 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, May 24, 2023.
5. For determining the entitlement to the proposed final dividend under the 2022 Profit Distribution Plan (subject to approval by the shareholders at the AGM), the Register of Members of the Company will be closed from Wednesday, June 7, 2023 to Tuesday, June 13, 2023, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on Tuesday, June 6, 2023.
6. References to time and dates in this notice are to Hong Kong time and dates.
7. In addition, the Company encourages the Shareholders to exercise their right to vote at the AGM by appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the meeting in person, by completing and returning the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon.

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## NOTICE OF THE FIRST H SHARE CLASS MEETING FOR 2023

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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)**

## NOTICE OF THE FIRST H SHARE CLASS MEETING FOR 2023

Notice is hereby given that the first H Share Class Meeting for 2023 (the “**H Share Class Meeting**”) of WuXi AppTec Co., Ltd.\* (無錫藥明康德新藥開發股份有限公司) (the “**Company**”) will be held at Sheraton Shanghai Waigaoqiao Hotel, 28 Jilong Road, Pilot Free Trade Zone, Shanghai, China on Wednesday, May 31, 2023 after the conclusion of the annual general meeting for 2022 and the first A share class meeting for 2023 and any adjournments thereof, for the following purposes of considering and, if deemed appropriate, approving the following resolution. In this notice, unless the context otherwise requires, capitalized terms and used herein shall have the same meanings as defined in the Company’s circular (the “**Circular**”) dated April 27, 2023.

### SPECIAL RESOLUTION

1. to consider and if thought fit, pass with or without amendments, the following resolution regarding the proposed granting of general mandate to repurchase A Shares and/or H Shares:

“**THAT:**

- (a) Subject to the restrictions set forth in paragraph (b) and (c) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to repurchase the A shares listed on the Shanghai Stock Exchange and the H Shares listed on the Hong Kong Stock Exchange, subject to and in accordance with all applicable laws, regulations and rules and/or requirements of the governmental or regulatory body of securities in the PRC, the Hong Kong Stock Exchange and the Shanghai Stock Exchange or any other governmental or regulatory body be and is hereby approved;

\* For identification purpose only

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## NOTICE OF THE FIRST H SHARE CLASS MEETING FOR 2023

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- (b) The aggregate nominal amount of A shares and/or H Shares of the Company authorized to be repurchased by the Company pursuant to the approval mentioned above during the Relevant Period shall not exceed 10% of the number of A shares and/or H Shares of the Company in issue as at the date of the passing of this resolution at the AGM, the A Share Class Meeting and the H Share Class Meeting of the Company, respectively;
- (c) The first approval mentioned above shall be conditional upon satisfaction of all the following conditions:
  - (i) The passing of a special resolution with the same terms as this resolution at both the AGM and A Share Class Meeting of the Company;
  - (ii) The obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and
  - (iii) The Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the “Company Law of the People’s Republic of China” and the Articles of Association of the Company. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.
- (d) Subject to the approval of all relevant government authorities in the PRC for the repurchase of such shares of the Company being granted and subject to the abovementioned conditions, the Board of Directors be and is hereby authorized to:
  - (i) Formulate and implement the specific repurchase plans, including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase, etc.;
  - (ii) Notify creditors and issue announcements in accordance with the requirements of the relevant laws, regulations, normative documents and the Articles of Association;
  - (iii) Open overseas share accounts and carry out the related changes of foreign exchange registration procedures;

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## NOTICE OF THE FIRST H SHARE CLASS MEETING FOR 2023

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- (iv) Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed;
  - (v) Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;
  - (vi) Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad; and
  - (vii) Execute and handle other documents and matters related to the repurchase of shares.
- (e) For the purpose of this resolution, the “**Relevant Period**” means the period from the passing of this resolution at the AGM and the passing of those resolutions having the same terms with this resolution at its A Share Class Meeting and H Share Class Meeting, respectively, until whichever is the earliest of:
- (i) Upon conclusion of the 2023 annual general meeting of the Company;
  - (ii) The expiration of a period of twelve months following the passing of this resolution at the H Share Class Meeting and the passing of those resolutions having the same terms with this resolution at its AGM and A Share Class Meeting, respectively;

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## NOTICE OF THE FIRST H SHARE CLASS MEETING FOR 2023

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- (iii) The time at which the authorization conferred by this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting, or by a special resolution of its H shareholders and A shareholders at the H Share Class Meeting and the A Share Class Meeting, respectively.”

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

Hong Kong, April 27, 2023

*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 purpose only

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 the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
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 certified copy of that power of attorney or authority, must be deposited at the Company’s H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time appointed for the meeting or the adjourned meeting (as the case may be) (i.e. not later than 2:00 p.m. on Tuesday, May 30, 2023 (Hong Kong time)). 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 instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Thursday, May 25, 2023 to Wednesday, May 31, 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the H Share Class Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant

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## NOTICE OF THE FIRST H SHARE CLASS MEETING FOR 2023

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share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, May 24, 2023.

5. For determining the entitlement to the proposed final dividend under the 2022 Profit Distribution Plan (subject to approval by the shareholders at the 2022 AGM), the Register of Members of the Company will be closed from Wednesday, June 7, 2023 to Tuesday, June 13, 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on Tuesday, June 6, 2023.
6. References to time and dates in this notice are to Hong Kong time and dates.
7. In addition, the Company encourages the Shareholders to exercise their right to vote at the H Share Class Meeting by appointing the chairman of the H Share Class Meeting as their proxy to vote on the relevant resolutions at the H Share Class Meeting instead of attending the meeting in person, by completing and returning the enclosed form of proxy for use at the H Share Class Meeting in accordance with the instructions printed thereon.