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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)

CONNECTED TRANSACTION
SUBSCRIPTION OF INTERESTS IN THE FUND

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The Board is pleased to announce that on October 19, 2020 (after trading hours), WuXi Fund I entered into the Subscription Agreement with the Fund (acting by the Managing General Partner), pursuant to which WuXi Fund I has agreed to make an investment in the Fund at the Subscription Amount of US\$5 million, which represents approximately 3.39% of the Investment Funds Raised. A total of 15 other investors, which includes Hodge Lake, are involved in this round of investment in the Fund. Following the entry into of the Subscription Agreement, WuXi Fund I will be admitted as a Limited Partner to the Fund by entering into the Limited Partnership Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hodge Lake is wholly-owned by Dr. Ning Zhao, an executive Director. Hodge Lake is an associate of Dr. Ning Zhao and therefore a connected person of the Company. Accordingly, the Subscription, which involves WuXi Fund I and Hodge Lake making investments in the Fund in the same round of investment, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription exceed 0.1% but are less than 5%, the Subscription is subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Dr. Ning Zhao, being an executive Director and the sole member of Hodge Lake, Dr. Ge Li (the spouse of Dr. Ning Zhao) and Mr. Zhaohui Zhang, being executive Directors and parties to an acting-in-concert agreement and a supplemental agreement dated March 23, 2016 and March 17, 2017, respectively, pursuant to which, Dr. Ning Zhao and Mr. Zhaohui Zhang should defer to Dr. Ge Li's view and decision should there be different views among them on any matter considered at Board meetings and general meetings of the Company, have abstained from voting on the relevant Board resolution approving the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolution.

GENERAL

The projects that the Fund invests in may be affected by various factors, including laws, regulations and policies, the macro-economy and uncertainties in the development of products by investment portfolio companies. There may be risks of unrealized expected returns and failure to exit in a timely and effective manner. With respect to the major investment risks, WuXi Fund I will (i) keep abreast with the operations of the Fund; (ii) pay attention to the implementation procedures of investment projects; (iii) supervise and manage the Managing General Partner in preventing all aspects of investment risks; and (iv) endeavor to safeguard the investment funds. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on October 19, 2020 (after trading hours), WuXi Fund I entered into the Subscription Agreement with the Fund (acting by the Managing General Partner), pursuant to which WuXi Fund I has agreed to make an investment in the Fund at the Subscription Amount of US\$5 million, which represents approximately 3.39% of the Investment Funds Raised. A total of 15 other investors, which includes Hodge Lake, are involved in this round of investment in the Fund. Following the entry into of the Subscription Agreement, WuXi Fund I will be admitted as a Limited Partner to the Fund by entering into the Limited Partnership Agreement.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date

October 19, 2020

Parties

- (1) WuXi Fund I (as the subscriber); and
- (2) the Fund (acting by the Managing General Partner).

Subject matter

WuXi Fund I, a wholly-owned subsidiary of the Company, has agreed to make an investment in the Fund at the Subscription Amount of US\$5 million, which represents approximately 3.39% of the Investment Funds Raised.

The Subscription Amount of the investment of WuXi Fund I in the Fund was determined by WuXi Fund I with reference to the prospects of the proposed investment plans of the Fund. The Subscription Amount of the investment of WuXi Fund I in the Fund will be funded by the internal funds of WuXi Fund I.

THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are as follows:

Date: October 19, 2020

- Parties:**
- (1) the Managing General Partner (as the managing general partner of the Fund);
 - (2) the General Partner (as the general partner of the Fund);
 - (3) Mr. Tomer Kariv (as the withdrawing initial limited partner); and
 - (4) each of the Limited Partners (including WuXi Fund I and Hodge Lake) (as limited partners of the Fund with the Managing General Partner acting as their attorney-in-fact).

Investment Funds Raised and respective subscription amounts: The amount of Investment Funds Raised of the Fund will be US\$147,550,000.

As at the date of this announcement, the respective subscription amounts made by the Limited Partners to the Fund are as follows:

- (i) WuXi Fund I will contribute US\$5 million, representing approximately 3.39% of the Investment Funds Raised;
- (ii) Hodge Lake will contribute US\$5 million, representing approximately 3.39% of the Investment Funds Raised;
- (iii) the Other Institutional Investors will contribute an aggregate of US\$136.95 million, representing approximately 92.81% of the Investment Funds Raised; and
- (iv) the Other Individual Investor will contribute an aggregate of US\$0.6 million, representing approximately 0.41% of the Investment Funds Raised.

Term of the Fund: The term of the Fund commenced on the date of its registration as an exempted limited partnership under the Exempted Limited Partnership Law and shall continue until the tenth anniversary of the Initial Closing Date. The term of the Fund may be extended for up to three successive additional one-year periods by the Managing General Partner. The Managing General Partner shall notify the Limited Partners prior to the commencement of any such extension.

Management of the Fund: The management, policies and control of the Fund are vested exclusively in the Managing General Partner. The Managing General Partner may contract with a third party corporation affiliated with it to act as service provider to provide management services for the Fund.

The General Partner has been established solely for the purpose of enabling the Fund to be registered under the Exempted Limited Partnership Law as an exempted limited partnership. The General Partner shall have no power or authority to engage in any business on behalf of the Fund or to take part in the management of the Fund.

The Managing General Partner shall appoint an investment committee. All portfolio investments of the Fund, or decisions in connection with the disposition or sale of holdings of a portfolio company shall be subject to the approval of the investment committee. Small scale portfolio investments, which are collectively in the aggregate amount not exceeding US\$1 million shall not require the prior approval of the investment committee.

The Managing General Partner shall appoint an advisory board comprising no less than three and not more than seven members. The advisory board shall have the power to (i) approve each investment resolution by the Managing General Partner involving a conflict of interests; (ii) approve the replacement of a principal of the Fund; and (iii) approve initial investments in any single portfolio company exceeding 10% of the aggregate subscription amount of the Fund, and total investment in such portfolio company exceeding 20% of the aggregate subscription amount of the Fund.

Management Fee:

The Managing General Partner shall receive, as from the Initial Closing Date up to the seventh year of the operation of the Fund, a management fee (the “**Fund-Management Fee**”) in consideration for its services to the Fund, at an annual rate of 1.75% (which amount is inclusive of VAT), if and to the extent applicable, per year of the aggregate amount that the General Partners and the Limited Partners have agreed to contribute to the Fund.

The annual Fund Management Fee for the eighth, ninth and tenth year of operation of the Fund shall be at an annual rate of 1.75% per year of the amount equal to the aggregate amount that the General Partners and the Limited Partners have agreed to contribute to the Fund after deduction of the cost of investments either written off or disposed by the Fund (which amount is inclusive of VAT).

The annual Fund Management Fee shall be reduced to a rate of not more than 0.875% (which amount is inclusive of VAT) per year, of the aggregate amount that the General Partners and the Limited Partners have agreed to contribute to the Fund after deduction of the cost of investments either written off or disposed by the Fund, for any extension of the term of the Fund after the initial term. The Fund-Management Fee shall be fully set-off with any amount paid by the portfolio companies and the potential portfolio companies to the Fund, the Managing General Partner, the management company of the Fund or any of the principals of the Fund, or any of their respective affiliates.

Distributions:

All distributions of profits shall be made as follows:

- (i) First, any distribution shall be made to all Limited Partners (in pro rata to their respective capital contribution to the Fund) until all Limited Partners have received an amount equal to such capital contribution;
- (ii) thereafter, to the extent there shall remain cash or any securities available for distribution, any distribution shall be made to all Limited Partners until the Limited Partners have received (in pro rata to their respective capital contribution to the Fund) an amount equal to 6% cumulative interest compounded annually on the respective capital contribution to the Fund;
- (iii) subsequently, to the extent there shall remain cash or any securities available for distribution, the Managing General Partner receives such amount necessary to complete an 82.5% Limited Partners/17.5% Managing General Partner split of all distributions made in accordance with paragraph (ii) above; and
- (iv) Finally, to the extent there shall remain cash or any freely tradable securities, the Limited Partners (in proportion to their respective capital contribution to the Fund) receive 82.5% of the remainder and simultaneously the Managing General Partner 17.5% of the remainder.

INFORMATION ON THE GROUP AND THE PARTIES TO THE SUBSCRIPTION AGREEMENT AND THE LIMITED PARTNERSHIP AGREEMENT

Information on the Group

The Company is a joint stock company incorporated in the People's Republic of China with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange.

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

Information on the Fund

The Fund is an exempted limited partnership in the Cayman Islands established in accordance with laws of the Cayman Islands. The Fund is principally engaged in the investments in high growth life-science companies including but not limited to pharmaceutical, bio-technical and medical device companies, with an initial focus on the State of Israel, the United States of America and Europe.

Information on the General Partners

The Managing General Partner is a limited partnership organized under the laws of the State of Israel and is the managing general partner of the Fund, which is responsible for the management, policies and control of the Fund.

The General Partner is an exempted limited company established in accordance with the laws of the Cayman Islands. The General Partner is established solely for the purpose of enabling the Fund to be registered under the Exempted Limited Partnership Law as an exempted limited partnership.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the General Partners are Independent Third Parties.

Information on the Limited Partners

As at the date of this announcement, WuXi Fund I, Hodge Lake, the Other Institutional Investors and the Other Individual Investors are the Limited Partners.

WuXi Fund I is a limited partnership in the Cayman Islands established in accordance with the Exempted Limited Partnership Law, and is a wholly-owned subsidiary of the Company. WuXi Fund I is principally engaged in portfolio investment holding.

Hodge Lake is a limited liability company incorporated in the State of Delaware of the United States of America, and is wholly-owned by Dr. Ning Zhao, an executive Director of the Company. Hodge Lake may conduct any lawful business and activity for which limited liability companies can be organized under the Delaware Limited Liability Company Act.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Other Institutional Investors and the Other Individual Investors is an Independent Third Party.

Information on the withdrawing initial limited partner of the Fund

Mr. Tomer Kariv is the withdrawing initial limited partner of the Fund. He is the co-founder and Chief Executive Officer of Pontifax, and he serves as an active board member of various portfolio companies, assuming a special responsibility for strategic planning.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Tomer Kariv is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The high-growth life-science corporations that the Fund invests in are significant potential customers of the Company. The Subscription will enhance the Company's understanding of the latest developments in the biomedical field in Israel. In particular, the Subscription will provide the Company with a forward-looking guidance to expand and develop the market in Israel. Meanwhile, the Subscription will assist the Company in further cultivating the markets in the United States of America and Europe, and expanding its principal business.

The terms of the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder were agreed after arm's length negotiations among the parties thereto. The Directors (including the independent non-executive Directors) are of the view that the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hodge Lake is wholly-owned by Dr. Ning Zhao, an executive Director. Hodge Lake is an associate of Dr. Ning Zhao and therefore a connected person of the Company. Accordingly, the Subscription, which involves WuXi Fund I and Hodge Lake making investments in the Fund in the same round of investment, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription exceed 0.1% but are less than 5%, the Subscription is subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Dr. Ning Zhao, being an executive Director and the sole member of Hodge Lake, Dr. Ge Li (the spouse of Dr. Ning Zhao) and Mr. Zhaohui Zhang, being executive Directors and parties to an acting-in-concert agreement and a supplemental agreement dated March 23, 2016 and March 17, 2017, respectively, pursuant to which, Dr. Ning Zhao and Mr. Zhaohui Zhang should defer to Dr. Ge Li's view and decision should there be different views among them on any matter considered at Board meetings and general meetings of the Company, have abstained from voting on the relevant Board resolution approving the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolution.

GENERAL

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DEFINITIONS

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

“A Share(s)”	domestic share(s) of the Company with nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company, from time to time
“Call Notice”	a written notice which specifies the time of each drawdown of capital contributions pursuant to the terms of the Limited Partnership Agreement
“Company”	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, from time to time
“Exempted Limited Partnership Law”	the Exempted Limited Partnership Law of the Cayman Islands (as amended, modified or re-enacted from time to time)
“Fund”	Pontifax (Cayman) VI L.P., an exempted limited partnership in the Cayman Islands established in accordance with laws of the Cayman Islands
“General Partner”	Pontifax GP II Limited, a Cayman Islands exempted limited company, as the general partner of the Fund
“General Partners”	the Managing General Partner and the General Partner
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange

“Hodge Lake”	Hodge Lake, LLC, a limited liability company incorporated in the State of Delaware of the United States of America
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and its ultimate beneficial owner(s), to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Initial Closing Date”	December 1, 2020
“Investment Funds Raised”	the amount of funds raised by the Fund as at the date of this announcement, being US\$147,550,000
“Limited Partner(s)”	the limited partner(s) of the Fund, being the Subscribers, the Other Institutional Investors and the Other Individual Investor
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement of the Fund dated October 19, 2020 entered into among the General Partners, Mr. Tomer Kariv and the Limited Partners in relation to the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Managing General Partner”	Pontifax VI GP L.P., a limited partnership organized under the laws of the State of Israel, being the managing general partner of the Fund
“Other Institutional Investors”	the 13 other Limited Partners of the Fund which are institutional investors
“Other Individual Investor”	the one other Limited Partners of the Fund who is an individual investor
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	WuXi Fund I and Hodge Lake
“Subscription Agreement”	the subscription agreement dated October 19, 2020 entered into between WuXi Fund I and the Fund (acting by the Managing General Partner)
“Subscription Amount”	the amount of investment to be made by WuXi Fund I in the Fund pursuant to the terms and conditions of the Subscription Agreement
“Subscription”	the subscription of interests in the Fund by WuXi Fund I pursuant to the terms and conditions of the Subscription Agreement and the Limited Partnership Agreement
“US\$”	United States Dollar(s), the lawful currency of the United States of America
“VAT”	value-added tax
“WuXi Fund I”	WuXi PharmaTech Healthcare Fund I L.P., a limited partnership in the Cayman Islands established in accordance with the Exempted Limited Partnership Law, and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, October 19, 2020

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

* For identification purposes only