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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)**

**PROPOSED USE OF SURPLUS NET PROCEEDS FROM  
THE A SHARE LISTING TO PERMANENTLY REPLENISH  
WORKING CAPITAL OF THE COMPANY SUBSEQUENT TO  
COMPLETION OF  
THE INVESTMENT PROJECTS AS A WHOLE**

References are made to (i) the interim report of WuXi AppTec Co., Ltd.\* (無錫藥明康德新藥開發股份有限公司) (the “**Company**”) for the six months ended June 30, 2022 (the “**2022 Interim Report**”), (ii) the circular of the Company dated March 31, 2022 (the “**Circular**”), and (iii) the announcements of the Company dated December 31, 2021 and March 23, 2022, in relation to, among other things, the delay in the expected timeline for utilization and the proposed change in use of proceeds from the A Share Listing, proposed use of surplus net proceeds from the A Share Listing to permanently replenish working capital of the Company subsequent to completion of part of the Investment Projects and the poll results announcement of the 2021 annual general meeting dated May 6, 2022 (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2021 Interim Report, the Circular and the Announcements.

## **INTRODUCTION**

### **Use of proceeds from the A Share Listing**

The total net proceeds from the issuance of A Shares by the Company in its A Share Listing amounted to approximately RMB2,130.2854 million. As at December 31, 2022, all Investment Projects undertaken under the A Share Listing have been completed and the total utilized net proceeds from the A Share Listing was approximately RMB1,861.0473 million. The table below sets out the planned application, actual usage and surplus of the net proceeds from the A Share Listing up to December 31, 2022:

Investment Projects undertaken under the A Share Listing	Allocation of net proceeds (1) (RMB million)	Balance of the utilized amount (as at December 31, 2022) <sup>(Note 2)</sup> (2) (RMB million)	Balance of the unutilized amount (as at December 31, 2022) (3)=(1)-(2) (RMB million)	Interest income and wealth management income net of bank charges and others (4) (RMB million)	Working capital replenished with surplus net proceeds (5) (RMB million)	Working capital to be replenished with proposed surplus net proceeds <sup>(Note 3)</sup> (6)=(3)+(4)-(5) (RMB million)	Proportion of proposed surplus net proceeds to total net proceeds raised (7)=(6)/(1)
Suzhou and Nantong drug safety evaluation centre expansion project <sup>(Note 1)</sup>	727.1998	661.8306	65.3692	75.0095	—	140.3787	N/A
Tianjin chemical R&D laboratory expansion and upgrade project (the “Tianjin Project”) <sup>(Note 1)</sup>	564.0000	360.1310	203.8690	40.4796	244.3474	0.0012	N/A
Company’s headquarter and analytical diagnostic service R&D centre	200.0000	200.0000	—	0.1131	—	0.1131	N/A
Working capital uses	639.0856	639.0856	—	6.4031	—	6.4031	N/A
<b>Total</b>	<b>2,130.2854</b>	<b>1,861.0473</b>	<b>269.2381</b>	<b>122.0054</b>	<b>244.3474</b>	<b>146.8961</b>	<b>6.90%</b>

*Notes:*

- On May 6, 2022, the Company convened the 2021 annual general meeting, at which the “Proposal on Change in Use of Certain Proceeds from the A Share Listing for an Investment Project” was considered and approved by the shareholders of the Company. Pursuant to the proposal, the Company would change the implementation entity and implementation location of the Suzhou drug safety evaluation centre expansion project, as a result of which the proceeds will be used for the Suzhou and Nantong drug safety evaluation centre expansion project. On the same day, the “Proposal on the Use of Surplus Net Proceeds from the A Share Listing and the Non-public Issuance of A Shares to Permanently Replenish Working Capital of the Company subsequent to Completion of Part of the Investment Projects” was considered and approved by the shareholders of the Company at the 2021 annual general meeting. Pursuant to the proposal, the Company agreed to apply the surplus net proceeds unutilized from the Tianjin Project under the A Share Listing to permanently replenish working capital of the Company. The final amount of funds to be transferred to the Company’s own capital account shall depend on the balance of the designated account on the day when the funds are transferred out accordingly. For further details, please refer to the relevant announcements of the Company dated December 31, 2021 and March 23, 2022, the 2021 annual general meeting circular of the Company dated March 31, 2022 and the poll results announcement of the 2021 annual general meeting of the Company dated May 6, 2022.
- Balance of utilized amount includes the proceeds used to replace the Company’s own funds that had been utilized in advance.
- The working capital to be replenished with the proposed surplus net proceeds includes the newly generated bank interest in the amount of RMB0.0012 million after the replenishment of working capital using the surplus net proceeds from the Tianjin Project.
- Any discrepancies in the sum of amounts listed in the above table with the breakdown of use of net proceeds is due to rounding.

## **REASONS FOR THE SURPLUS OF THE NET PROCEEDS FROM A SHARE LISTING**

The surplus of net proceeds subsequent to the completion of the Investment Projects as a whole mainly comprises the remaining balance of contract amounts and quality guarantee deposits that are payable. Due to the relatively longer due date for the remaining balance of contract amounts and quality guarantee deposits that are payable, when the surplus of net proceeds is utilized to replenish the working capital of the Company for its daily operations, the fund utilization efficiency can be enhanced by avoiding a long-term idling of funds. The Company has undertaken that when the payment conditions for such portion of the remaining balance of contract amounts or quality guarantee deposits are fulfilled, the Company will settle such payment with its own funds in accordance with the relevant contracts. Pursuant to the relevant regulations on the management and use of proceeds, and in order to enhance the efficiency of the use of idle proceeds, the Company has, without affecting the development of the Investment Projects and the security of the proceeds, legally carried out cash management for the temporarily idle proceeds and has obtained certain wealth management income and incurred certain interest income during the deposit of the proceeds.

## **ARRANGEMENTS FOR THE USE OF SURPLUS NET PROCEEDS FROM THE A SHARE LISTING TO PERMANENTLY REPLENISH WORKING CAPITAL OF THE COMPANY SUBSEQUENT TO THE COMPLETION OF THE INVESTMENT PROJECTS AS A WHOLE**

As the Investment Projects under the A Share Listing have been fully implemented, and in order to further improve the efficiency of the use of the proceeds and meet the needs of its daily production and operation activities, the Company has, at the thirty-sixth meeting of the second session of the board held on March 20, 2023, approved the proposal to complete the abovementioned Investment Projects under the A Share Listing as a whole and permanently replenish its working capital with the surplus net proceeds (the “**Permanent Replenishment of Working Capital**”). As the amount of the surplus proceeds for the replenishment is less than 10% of the net proceeds, approval from the Shareholders in general meeting of the Company is not required pursuant to the Self-regulation and Supervision Guidelines for Listed Companies of Shanghai Stock Exchange No. 1 — Standardized Operation (《上海證券交易所上市公司自律監管指引第1號 — 規範運作》). As at December 31, 2022, the surplus net proceeds amounted to RMB146.8961 million. The final amount of funds to be transferred to the Company’s own capital account shall depend on the balance of the designated account on the day when the funds are transferred out accordingly. After the completion of the Permanent Replenishment of Working Capital, the corresponding designated account for the proceeds will no longer be used and will be cancelled. Upon the cancellation of the designated account, the relevant designated deposit and custody agreement for the proceeds entered into among the Company, the sponsors, the Investment Project subsidiaries and the banks for account opening will be terminated accordingly.

## **IMPACT OF THE PERMANENT REPLENISHMENT OF WORKING CAPITAL**

The completion of the Investment Projects under the A Share Listing as a whole and the Permanent Replenishment of Working Capital are in line with the actual needs of the Company's business development and there is no use of proceeds in violation of regulations. It is also beneficial to improving the efficiency of the use of proceeds and is not detrimental to the interests of the Company or the shareholders as a whole.

## **OPINION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The independent non-executive Directors were of the view that the Permanent Replenishment of Working Capital is based on the actual situation of the Company. They are conducive to improving the utilization efficiency and income of the surplus net proceeds and in line with the objective situation and the long-term development needs of the Company, and they do not damage the interests of the Shareholders as a whole. The decision-making procedure for the Permanent Replenishment of Working Capital complies with relevant regulations on the use of proceeds by listed companies issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange. As such, the independent non-executive Directors agreed to the Permanent Replenishment of Working Capital.

## **OPINION OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee was of the view that the Permanent Replenishment of Working Capital has undergone necessary decision-making procedures, complies with relevant laws and regulations, is in favor of the long-term development of the Company, and is in the interest of the Company and the Shareholders as a whole. As such, the Supervisory Committee agreed to the Permanent Replenishment of Working Capital.

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

Hong Kong, March 20, 2023

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

\* *For identification purposes only*