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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**  
**PARTICIPATION IN THE ESTABLISHMENT OF THE JOINT**  
**VENTURE COMPANY**  
**AND FORMATION OF THE PARTNERSHIP**

**PARTICIPATION IN THE ESTABLISHMENT OF THE JOINT VENTURE COMPANY AND THE FORMATION OF THE PARTNERSHIP**

The Board is pleased to announce that on March 8, 2021 (after trading hours), WuXi Investment, MeadowSpring, Firstred and Suzhou Private Capital entered into the Articles of Association to establish the Joint Venture Company. Pursuant to the Articles of Association, WuXi Investment has agreed to contribute RMB45 million (equivalent to approximately HK\$53.91 million), representing 45% of the registered capital of the Joint Venture Company.

Following the completion of the establishment of the Joint Venture Company, WuXi Investment, MeadowSpring, Jiaying Firstred (a wholly-owned subsidiary of Firstred), Suzhou Yisu (a wholly-owned subsidiary of Suzhou Private Capital) and the Joint Venture Company will enter into the Partnership Agreement to form the Partnership. Pursuant to the Partnership Agreement, WuXi Investment will contribute RMB45 million (equivalent to approximately HK\$53.91 million) to the capital of the Partnership as a Limited Partner, representing 44.55% of the partnership interest therein.

It is intended that the Joint Venture Company will, after being registered with the Asset Management Association of China (中國證券投資基金業協會) as a private equity fund manager, establish the Fund with the Partnership as the general partner of the Fund.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, MeadowSpring is controlled by Mr. Edward Hu, an executive Director. MeadowSpring is an associate of Mr. Edward Hu and therefore a connected person of the Company.

Accordingly, the establishment of the Joint Venture Company and the formation of the Partnership, which involve concurrent capital contributions by WuXi Investment and MeadowSpring, constitute connected transactions 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 Group's aggregate capital contribution under the establishment of the Joint Venture Company and the formation of the Partnership exceed 0.1% but are less than 5%, the establishment of the Joint Venture Company and the formation of the Partnership are subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Edward Hu, being an executive Director and the controller of MeadowSpring, has abstained from voting on the relevant Board resolutions approving the Articles of Association and the Partnership Agreement as well as the transactions contemplated thereunder.

## **INTRODUCTION**

The Board is pleased to announce that on March 8, 2021 (after trading hours), WuXi Investment, MeadowSpring, Firstred and Suzhou Private Capital entered into the Articles of Association to establish the Joint Venture Company. Pursuant to the Articles of Association, WuXi Investment has agreed to contribute RMB45 million (equivalent to approximately HK\$53.91 million), representing 45% of the registered capital of the Joint Venture Company.

Following the completion of the establishment of the Joint Venture Company, WuXi Investment, MeadowSpring, Jiaxing Firstred (a wholly-owned subsidiary of Firstred), Suzhou Yisu (a wholly-owned subsidiary of Suzhou Private Capital) and the Joint Venture Company will enter into the Partnership Agreement to form the Partnership. Pursuant to the Partnership Agreement, WuXi Investment will contribute RMB45 million (equivalent to approximately HK\$53.91 million) to the capital of the Partnership as a Limited Partner, representing 44.55% of the partnership interest therein.

## THE ARTICLES OF ASSOCIATION

The principal terms of the Articles of Association are as follows:

- Date:** March 8, 2021
- Term of the Joint Venture Company:** Twenty (20) years from the date of establishment, and may be extended upon the approval of the shareholders holding three-fourths or more of the voting rights
- JV Parties:**
- (1) WuXi Investment;
  - (2) MeadowSpring;
  - (3) Firstred; and
  - (4) Suzhou Private Capital
- Registered capital of the Joint Venture Company and capital contribution:**
- The registered capital of the Joint Venture Company is proposed to be RMB100 million (equivalent to approximately HK\$119.8 million).
- The capital contribution shall be made by the JV Parties in the following manner:
- (a) WuXi Investment shall contribute RMB45 million (equivalent to approximately HK\$53.91 million), representing 45% of the registered capital of the Joint Venture Company;
  - (b) MeadowSpring shall contribute RMB25 million (equivalent to approximately HK\$29.95 million), representing 25% of the registered capital of the Joint Venture Company;
  - (c) Firstred shall contribute RMB20 million (equivalent to approximately HK\$23.96 million), representing 20% of the registered capital of the Joint Venture Company; and
  - (d) Suzhou Private Capital shall contribute RMB10 million (equivalent to approximately HK\$11.98 million), representing 10% of the registered capital of the Joint Venture Company.

The amount of the capital contribution to be made by the JV Parties was determined after arm's length negotiations among the JV Parties with reference to, among other things, the expected capital requirements of the Joint Venture Company.

The capital contribution to be made by WuXi Investment will be funded by the internal funds of WuXi Investment.

**Business scope of  
the Joint Venture  
Company:**

The Joint Venture Company will be principally engaged in private equity and venture capital investment fund management (subject to the approval by the relevant authorities of the PRC).

**Board composition  
and management  
structure:**

The board of directors of the Joint Venture Company shall comprise four directors. Each of WuXi Investment, MeadowSpring, Firstred and Suzhou Private Capital shall have the right to recommend one director to the board of the Joint Venture Company, who shall be subject to election at a shareholders' meeting of the Joint Venture Company. The director appointed by MeadowSpring shall be the chairman of the board of directors of the Joint Venture Company. Each director shall have one vote and any decision of the board of directors requires the approval of three-fourths or more of the directors of the Joint Venture Company.

MeadowSpring shall have the right to recommend one general manager of the Joint Venture Company, whose appointment shall be subject to the approval of the board of directors of the Joint Venture Company.

**Composition and  
resolutions of  
shareholders'  
meetings:**

The shareholders' meeting shall be composed of all shareholders of the Joint Venture Company. The voting rights of the shareholders shall be proportionate to their capital contribution to the Joint Venture Company, and all resolutions to be passed at shareholders' meetings require the approval of the shareholders holding three-fourths or more of the voting rights.

**Dispute resolution:**

Disputes arising out of and in connection with the Articles of Association shall first be resolved among the JV Parties with amicable negotiations. If the disputes cannot be resolved in such manner, they shall be referred to and finally resolved by arbitration administered by the China International Economic and Trade Arbitration under its then applicable arbitration rules. The seat of arbitration shall be Shanghai, the PRC.

**Dissolution of the Joint Venture Company:**

The Joint Venture Company shall be dissolved upon the occurrence of any of the following:

- (a) the term of the Joint Venture Company having expired and was not extended pursuant to the Articles of Association;
- (b) the shareholders having at a shareholders' meeting resolve to dissolve the Joint Venture Company;
- (c) the merger or separation of the Joint Venture Company necessitates its dissolution;
- (d) the business registration license of the Joint Venture Company is revoked pursuant to applicable laws, the Joint Venture Company is ordered to close or was struck off;
- (e) the Courts of the PRC having ordered the dissolution of the Joint Venture Company pursuant to Article 182 of the Company Law of the PRC; or
- (f) other circumstances under which the Joint Venture Company shall be dissolved pursuant to the Articles of Association or applicable laws and regulations.

**THE PARTNERSHIP AGREEMENT**

The principal terms of the Partnership Agreement, to which all parties thereto have agreed upon, are as follows:

**Partners:**

- (1) Joint Venture Company (as the General Partner);
- (2) WuXi Investment (as a Limited Partner);
- (3) MeadowSpring (as a Limited Partner);
- (4) Jiaxing Firstred (as a Limited Partner); and
- (5) Suzhou Yisu (as a Limited Partner).

**Term of the Partnership:** Nineteen (19) years from the date of formation of the Partnership as stated on the business registration licence.

**Capital contribution:** The total capital contribution by all the Partners to the Partnership shall be RMB101 million (equivalent to approximately HK\$120 million). The capital contribution to be made by each of the Partners is as follows:

<b>Partner</b>	<b>Capacity</b>	<b>Capital contribution (RMB)</b>	<b>Percentage</b>
Joint Venture Company	General Partner	1 million (equivalent to approximately HK\$1.198 million)	0.99%
WuXi Investment	Limited Partner	45 million (equivalent to approximately HK\$53.91 million)	44.55%
MeadowSpring	Limited Partner	25 million (equivalent to approximately HK\$29.95 million)	24.75%
Jiaxing Firstred	Limited Partner	20 million (equivalent to approximately HK\$23.96 million)	19.80%
Suzhou Yisu	Limited Partner	10 million (equivalent to approximately HK\$11.98 million)	9.90%

The respective capital contribution of the Partners to the Partnership is determined through arm's length negotiations between the Partners with reference to the proposed capital requirements of the Partnership and the parties' proportionate interests therein.

The capital contribution to be made by WuXi Investment will be funded by the internal funds of WuXi Investment.

**Business scope of the Partnership:**

The business scope of the Partnership shall comprise: (a) investment activities with its own fund; (b) equity investment; (c) venture capital investment (limited to investment in unlisted companies); (d) corporate management consulting; and (e) financial consulting.

**Rights and obligations of the General Partner:**

The General Partner shall be the managing partner of the Partnership (the "**Managing Partner**"). The Managing Partner shall have the relevant rights accorded to managing partners pursuant to the Partnership Enterprise Law of the PRC (《合夥企業法》), including but not limited to having exclusive management rights over the business of the Partnership, and to conduct or execute relevant affairs which are necessary or beneficial to the business of the Partnership in the name of the Partnership. The Managing Partner shall regularly report to the Limited Partners on the status of the execution of affairs, as well as the operational and financial conditions of the Partnership. Income arising out of the operation by the Managing Partner of the affairs of the Partnership shall belong to the Partnership, while the fees and losses generated shall be borne by the Partnership.

**Rights and obligations  
of the Limited  
Partners:**

The Limited Partners shall enjoy the following rights: (a) review the audited financial statements and other operational information of the Partnership either on their own or by their nominees; (b) understand and supervise the operational status of the Partnership and provide opinion; (c) be distributed the income of the Partnership pursuant to the Partnership Enterprise Law of the PRC and the provisions of the Partnership Agreement; and (d) transfer their portion of the property in the Partnership pursuant to the Partnership Enterprise Law of the PRC and the provisions of the Partnership Agreement.

The Limited Partners shall bear the following obligations: (a) the liability owed by the Limited Partners to the Partnership shall be limited to their capital contributions; (b) make the capital contributions pursuant to the Partnership Agreement; (c) save for the rights and obligations as specifically provided for in the Partnership Agreement, not to participate and interfere with the ordinary management and operations of the Partnership.

**Income and loss sharing:**

Unless otherwise agreed among the Partners, any income and losses of the Partnership will be shared among the Partners in proportion to their respective capital contribution.

**Dispute resolution:**

Disputes arising out of and in connection with the Partnership Agreement shall first be resolved among the Partners with amicable negotiations. If the disputes cannot be resolved in such manner, they shall be referred to and finally resolved by arbitration administered by the China International Economic and Trade Arbitration under its then applicable arbitration rules. The seat of arbitration shall be Shanghai, the PRC.

**Dissolution of the  
Partnership:**

The Partnership shall be dissolved upon the occurrence of any of the following:

- (a) the term of the Partnership having expired and the Partners resolved to discontinue its operation;
- (b) other reasons for dissolution as agreed by the Partners pursuant to the Partnership Agreement occur;
- (c) all Partners resolved to dissolve the Partnership;
- (d) the Partnership did not have a quorum for at least 30 days;



- (e) all Partners unanimously agree that the purpose set forth in the Partnership Agreement has been realised or is impossible to be realised;
- (f) the business registration license of the Partnership is revoked, or it is ordered to close down or revoked pursuant to applicable laws; or
- (g) other reasons prescribed by laws and administrative regulations.

## **INFORMATION ON THE GROUP AND THE PARTIES TO THE ARTICLES OF ASSOCIATION AND THE PARTNERSHIP AGREEMENT**

### **Information on the Group**

The Company is a joint stock company incorporated in the PRC 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 WuXi Investment**

WuXi Investment is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company. WuXi Investment is principally engaged in investment holding.

### **Information on MeadowSpring**

MeadowSpring is a limited liability company incorporated under the laws of Nevada, the U.S., and is controlled by Mr. Edward Hu, an executive Director. It is principally engaged in investment holding.

### **Information on Firstred and Jiaxing Firstred**

Firstred is a company established under the laws of the PRC with limited liability. It is principally engaged in project investment, investment management and investment consulting.

Jiaxing Firstred is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Firstred. It is principally engaged in equity investment and investment consulting. The ultimate beneficial owner of Firstred and Jiaxiang Firstred is Ms. Liu Xiaodan, who is the founder and managing partner of Firstred.

### **Information on Suzhou Private Capital and Suzhou Yisu**

Suzhou Private Capital is a company established under the laws of the PRC with limited liability. It is principally engaged in investment management, asset management, equity investment, venture capital and entrusted management of private equity investment funds.

Suzhou Yisu is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Suzhou Private Capital. It is principally engaged in project investment, business management consulting, financial information consulting, market research, business information consulting and investment consulting. Suzhou Yisu is wholly-owned by Suzhou Private Capital which has a diverse shareholding structure with 21 direct shareholders. The single largest shareholder of Suzhou Private Capital controls not more than 15% of the equity interests in Suzhou Private Capital and Suzhou Private Capital has no ultimate beneficial owner.

Save as disclosed in this announcement and to the best of the Directors' knowledge after due and careful enquiry, Firstred, Jiaxing Firstred, Suzhou Private Capital and Suzhou Yisu and the ultimate beneficial owners of the foregoing are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JOINT VENTURE COMPANY AND THE FORMATION OF THE PARTNERSHIP**

It is intended that the Joint Venture Company will, after being registered with the Asset Management Association of China (中國證券投資基金業協會) as a private equity fund manager, establish the Fund with the Partnership as the general partner of the Fund. The Fund will be a private equity fund which specializes in the mergers and acquisitions in the healthcare industry. The Fund will closely observe the development trend of the healthcare industry and seize relevant structural growth opportunities in the Greater China area, with a focus on making investments in mid-to late-stage targets in the healthcare industry. Such investments to be made by the Fund will enable the Company to, among other things, (i) expand its ecosystem, value chain and development plans; and (ii) enhance and strengthen its position in the healthcare industry. Going forward, the Company may further make investments in the Fund if future investment plans are desirable and in line with its development plans and principal business.

The terms of the Articles of Association and the 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 terms of the Articles of Association and the 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, MeadowSpring is controlled by Mr. Edward Hu, an executive Director. MeadowSpring is an associate of Mr. Edward Hu and therefore a connected person of the Company.

Accordingly, the establishment of the Joint Venture Company and the formation of the Partnership, which involve concurrent capital contributions by WuXi Investment and MeadowSpring, constitute connected transactions 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 Group's aggregate capital contribution under the establishment of the Joint Venture Company and the formation of the Partnership exceed 0.1% but are less than 5%, the establishment of the Joint Venture Company and the formation of the Partnership are subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Edward Hu, being an executive Director and the controller of MeadowSpring, has abstained from voting on the relevant Board resolutions approving the Articles of Association and the Partnership Agreement as well as the transactions contemplated thereunder.

Save as aforementioned, none of the other Directors has a material interest in the Articles of Association and the Partnership Agreement as well as the transactions contemplated thereunder. Therefore, no other Director has abstained from voting on such Board resolutions.

## **GENERAL**

The establishment of the Joint Venture Company and the formation of the Partnership are currently at preparatory stage and require subsequent registration and filing with the relevant PRC government authorities. The specific timing for the establishment of the Joint Venture Company and the formation of the Partnership as well as their commencement of operation are uncertain.

The Joint Venture Company, should be registered with the Asset Management Association of China (中國證券投資基金業協會) before commencing private equity investment and venture capital fund management businesses. Whether the registration procedures can be duly completed and the timing at which fund-raising and operations of the Fund will commence thereafter are uncertain.

The Joint Venture Company and the Partnership shall register with the relevant PRC government authorities at their place of incorporation under the qualified foreign limited partnership (QFLP) scheme. Whether the approval would be successful and the timing of such approval are uncertain.

## 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
“Articles of Association”	the articles of association of the Joint Venture Company dated March 8, 2021 entered into by and among the JV Parties in relation to, among other things, the establishment of the Joint Venture Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“Firstred”	Firstred Capital Co., Ltd.* (晨壹投資有限公司), a company established under the laws of the PRC with limited liability
“Fund”	a limited partnership to be established and registered under the laws of the PRC
“General Partner”	the Joint Venture Company
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiaxing Firstred”	Jiaxing Firstred Pengying Equity Investment Co., Ltd.* (嘉興晨壹蓬瀛股權投資有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Firstred

“Joint Venture Company”	Suzhou WuXi Huiju Private Equity Fund Management Co., Ltd. *(蘇州藥明匯聚私募基金管理有限公司) (the name is subject to the final approval by the relevant industry and commerce authorities of the PRC), the joint venture company to be established in the PRC pursuant to the terms of the Articles of Association
“JV Parties”	collectively, WuXi Investment, MeadowSpring, Firstred and Suzhou Private Capital
“Limited Partners”	collectively, WuXi Investment, MeadowSpring, Jiaxing Firstred and Suzhou Yisu
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MeadowSpring”	MeadowSpring LLC, a limited liability company incorporated under the laws of Nevada, the U.S.
“Partner(s)”	collectively, the General Partner and the Limited Partners
“Partnership”	Suzhou Qunying Investment Management Partnership (Limited Partnership)* (蘇州群英投資管理合夥企業(有限合夥)) (the name is subject to the final approval by the relevant industry and commerce authorities of the PRC), the limited partnership to be formed under the laws of the PRC pursuant to the terms of the Partnership Agreement
“Partnership Agreement”	the partnership agreement to be entered into by and among the General Partner and the Limited Partners
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Private Capital”	Suzhou Private Capital Investment Holdings Co., Ltd* (蘇州民營資本投資控股有限公司), a company established under the laws of the PRC with limited liability

“Suzhou Yisu”	Suzhou Yisu Investment Co., Ltd* (蘇州翼蘇投資有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Suzhou Private Capital
“U.S.”	the United States of America
“US\$”	United States Dollar(s), the lawful currency of the U.S.
“WuXi Investment”	WuXi AppTec Investment & Development Co., Ltd.* (無錫藥明康德投資發展有限公司), a company incorporated in the PRC 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, March 8, 2021

*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 the purpose of this announcement, unless otherwise stated, amounts denominated in RMB have been translated into HK\$ at the rate of RMB1 = HK1.198, being the central parity rate published by the State Administration of Foreign Exchange of the PRC on March 8, 2021. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

\* For identification purposes only