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**WUXI BIOLOGICS (CAYMAN) INC.**

**藥明生物技術有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2269)**

**DISCLOSEABLE TRANSACTION  
ASSET TRANSACTION RELATED TO  
VACCINES IRELAND FACILITY**

The Company announces that on January 6, 2025 (after trading hours), the Company and WuXi Vaccines Ireland (the Vendor), an indirect wholly-owned subsidiary of the Company, entered into the Agreement with MSD International (the Purchaser), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Assets related to Vaccines Ireland Facility at a total Consideration of approximately US\$500 million (equivalent to approximately HK\$3,900 million), subject to the terms and conditions therein. Vaccines Ireland Facility was a dedicated facility designed and constructed by the Vendor for the Purchaser in relation to the manufacturing of commercial vaccine product(s) to meet the Purchaser's business needs.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Asset Transaction is more than 5% but is less than 25%, the Asset Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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## **THE AGREEMENT**

### **Parties**

- (1) MSD International, as purchaser
- (2) The Company, as guarantor
- (3) WuXi Vaccines Ireland, as vendor

### **Subject Matter**

Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Assets, which will be delivered to the Purchaser free from encumbrances upon Completion. The Assets comprise all the property and assets related to Vaccines Ireland Facility including, but not limited to, manufacturing equipment, benefit of contracts related to Vaccines Ireland Facility to which the Vendor is a party, in-process inventory and other intangible assets. The Company has agreed to guarantee to the Purchaser the due performance by the Vendor of its obligations under the Agreement. As Vaccines Ireland Facility is still under construction, there is no net profit/loss before and after taxation attributable to the Assets for the years ended December 31, 2023 and 2024.

### **Consideration**

The total amount of the Consideration for the Assets is approximately US\$500 million (equivalent to approximately HK\$3,900 million), which shall be settled in the following manner:

- (1) the Purchaser shall pay a sum of US\$407 million (equivalent to approximately HK\$3,175 million) to the Vendor at Completion;
- (2) the Purchaser shall deposit a sum of US\$30 million (equivalent to approximately HK\$234 million) into an escrow account at Completion, which shall be released to the Vendor upon the expiry of eighteen months after Completion subject to adjustments (if any) according to terms of the Agreement; and
- (3) the remaining balance of the Consideration shall be settled by way of off-set against the advance previously received by the Vendor from the Purchaser prior to the signing of the Agreement after amortization.

The Consideration has been determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the net book value of the Assets in the sum of approximately US\$487 million (equivalent to approximately HK\$3,800 million) as shown in the unaudited financial statements of the Vendor as of November 30, 2024; (ii) the market conditions and economic landscape in the region; (iii) the prevailing market prices of similar assets and facilities; and (iv) the benefits to be brought to the Group as a result of the Asset Transaction as set out in the paragraph headed "Reasons for and Benefits of the Asset Transaction".

### **Conditions Precedent**

Completion is subject to the fulfillment (or, where applicable, waiver) of certain conditions precedent under the Agreement which include but are not limited to:

- (1) all the necessary approvals, consents, filings and registration for the transactions contemplated under the Agreement having been duly obtained and completed by the parties;
- (2) all the remediation related to certain defects and snags of Vaccines Ireland Facility having been completed;
- (3) all necessary licences for the ownership and operation of the Assets having been transferred by the Vendor to the Purchaser pursuant to terms of the Agreement; and
- (4) environmental testing of Vaccines Ireland Facility having been duly conducted to the satisfaction of the Purchaser.

### **Completion**

Completion will take place upon the fulfillment and/or waiver (as the case may be) of the conditions precedent according to the terms of the Agreement. It is currently expected that Completion will take place in the first half of 2025.

### **FINANCIAL EFFECT OF THE ASSET TRANSACTION AND USE OF PROCEEDS**

It is expected that the Asset Transaction will not result in any material gain or loss to the Company, based on the difference between the Consideration and the net book value of the Assets together with the transaction related expenses and possible adjustments to be made to the Consideration according to the terms of the Agreement. The actual gain or loss as a result of the Asset Transaction to be recorded by the Company is subject to further review by the auditors of the Company.

The net proceeds from the Asset Transaction will be used as the general working capital of the Group for its development and geographic footprint, as well as funding of potential further repurchase of shares of the Company which will be subject to market conditions.

## **REASONS FOR AND BENEFITS OF THE ASSET TRANSACTION**

As disclosed in the announcement of the Company dated May 20, 2019, the Company has been constructing an integrated vaccine manufacturing facility for the Purchaser, a global vaccines leader. The Asset Transaction highlights the Company's capability in building and operating world-class complex vaccine manufacturing facilities which meet the stringent standards of global vaccine leaders, a capacity the Company has established and developed over the past years since the entry into of the letter of intent as disclosed in the aforesaid announcement.

The Company believes that the Asset Transaction will not only enable the Company to realize its investment in the Assets and enhance its asset efficiencies and margins, allowing the Company to focus on providing vaccines CDMO services from its vaccines sites in Suzhou, China, but also enable the Purchaser to better integrate the vaccine production within their global manufacturing network and benefit patients worldwide, given that Vaccines Ireland Facility was a dedicated facility designed and constructed by the Vendor for the Purchaser in relation to the manufacturing of commercial vaccine product(s) to meet the Purchaser's business needs.

As a trusted partner to the biologics industry, the Company is committed to continuing its support for global clients by bringing innovative therapeutics to patients worldwide. Following the Asset Transaction, the Purchaser will remain an important partner of the Company, and the Company will continue the full support to the Purchaser and other clients to advance global public health through integrated vaccine development and manufacturing solutions.

In light of the above, the Directors are of the view that the terms of the Asset Transaction are fair and reasonable, and are in the interest of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

The Vendor is principally engaged in the provision of comprehensive end-to-end vaccine CDMO services.

The Company is a global biologics CRDMO offering end-to-end solutions for biologics discovery, development and manufacturing to clients involving in biologics industry.

The Purchaser is a subsidiary of a global healthcare company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies and animal health products. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Asset Transaction is more than 5% but is less than 25%, the Asset Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Agreement”	the agreement entered into between the Company, the Vendor and the Purchaser dated January 6, 2025 in relation to the Asset Transaction
“Asset Transaction”	the sale of the Assets by the Vendor to the Purchaser pursuant to the terms of the Agreement
“Assets”	all the property and assets related to Vaccines Ireland Facility, including but not limited to the property, manufacturing equipment, benefit of contracts related to Vaccines Ireland Facility to which the Vendor is a party, in-process inventory and other intangible assets
“Board”	the board of Directors
“CDMO”	Contract Development and Manufacturing Organization
“Company”	WuXi Biologics (Cayman) Inc., an exempted company incorporated in the Cayman Islands with limited liability on February 27, 2014
“Completion”	completion of the Asset Transaction pursuant to the terms and conditions of the Agreement

“Consideration”	the consideration payable by the Purchaser to the Vendor for the purchase of the Assets pursuant to the Agreement
“CRDMO”	Contract Research, Development and Manufacturing Organization
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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, as amended or supplemented from time to time
“Purchaser” or “MSD International”	MSD International GmbH, a company incorporated in Switzerland with limited liability and a subsidiary of Merck & Co., Inc., Rahway, NJ, USA, being a global healthcare company listed on the New York Stock Exchange (stock code: MRK)
“Shareholder(s)”	shareholder(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Vaccines Ireland Facility”	the vaccines manufacturing facility designed and constructed by the Vendor for the Purchaser in relation to the manufacturing of commercial vaccine product(s) and located at IDA Science and Technology Park, Haynestown, Dundalk, Co. Louth, A91 A4CC, Ireland

“Vendor” or  
“WuXi Vaccines Ireland”

WuXi Vaccines Ireland Limited, a company incorporated in Ireland with limited liability and an indirect wholly-owned subsidiary of the Company

“%”

per cent

*For the purpose of this announcement and for the purpose of illustration only, the exchange rate of US\$1.00 = HK\$7.80 has been used. Such exchange rate does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates or at all.*

By order of the Board  
**WuXi Biologics (Cayman) Inc.**  
**Dr. Ge Li**  
*Chairman*

Hong Kong, January 6, 2025

*As at the date of this announcement, the Board comprises Dr. Zhisheng Chen as executive Director; Dr. Ge Li, Dr. Weichang Zhou, Mr. Yanling Cao and Ms. Jingwen Miao as non-executive Directors; and Mr. William Robert Keller, Mr. Kenneth Walton Hitchner III, Mr. Jackson Peter Tai and Dr. Jue Chen as independent non-executive Directors.*

\* *For identification purpose only*