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WUXI XDC CAYMAN INC.

藥明合聯生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2268)

**CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF
NEW SHARES UNDER SPECIFIC MANDATE**

Financial Adviser

J.P.Morgan

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On September 3, 2025 (before trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue and allot, and the Subscriber has conditionally agreed to subscribe for the 24,134,000 Subscription Shares each at the Subscription Price of HK\$58.85 per Subscription Share (being the same as the Placing Price) for a total consideration of approximately HK\$1,420.29 million. The Subscription Shares will be issued and allotted pursuant to the Specific Mandate.

Assuming that there will be no change in the issued share capital of the Company (including that no Shares will be issued and allotted in respect of share options and/or share awards granted under the Share Schemes) between the dates of this announcement and the completion of the Subscription (other than as a result of the completion of the Placing which is anticipated to take place before completion of the Subscription), the Subscription Shares represent (i) approximately 2.00% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 1.97% of the issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares (assuming completion of the Placing takes place before completion of the Subscription); and (iii) approximately 1.93% of the issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares and the Subscription Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Subscriber is a controlling shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting, circular and the Independent Shareholders' approval requirements. The Subscriber and its respective associates will abstain from voting on the relevant resolution(s) approving the Subscription and the Specific Mandate at the EGM.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has, pursuant to the Listing Rules, established the Independent Board Committee comprising Dr. Ulf Grawunder and Mr. Hao Zhou, being all the independent non-executive Directors who have no direct or indirect interest in the Subscription and the Specific Mandate, to advise the Independent Shareholders on the terms of the Subscription Agreement and the Specific Mandate and as to voting at the EGM. The Independent Financial Adviser will also be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate. The voting in relation to the Subscription Agreement and the Specific Mandate at the EGM will be conducted by way of a poll, whereby the Subscriber and its associates together with any other Shareholders who are interested or involved in the Subscription Agreement and/or the Specific Mandate shall abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the Specific Mandate.

A circular containing, among other things, (i) further details of the Subscription Agreement and the Specific Mandate; (ii) recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the Specific Mandate; and (iv) a notice of EGM together with the form of proxy will be despatched by the Company to the Shareholders accordingly.

Since completion of the Subscription is subject to the fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On September 3, 2025 (before trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue and allot, and the Subscriber has conditionally agreed to subscribe for, the 24,134,000 Subscription Shares each at the Subscription Price of HK\$58.85 per Subscription Share (being the same as the Placing Price) for a total consideration of approximately HK\$1,420.29 million. The principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date : September 3, 2025 (before trading hours of the Stock Exchange)

Parties : (1) the Company (as the issuer); and
(2) WuXi Biologics (as the Subscriber).

Subscription Shares

Assuming that there will be no change in the issued share capital of the Company (including that no Shares will be issued and allotted in respect of share options and/or share awards granted under the Share Schemes) between the dates of this announcement and the completion of the Subscription (other than as a result of the completion of the Placing which is anticipated to take place before completion of the Subscription), the Subscription Shares represent (i) approximately 2.00% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 1.97% of the issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares (assuming completion of the Placing takes place before completion of the Subscription); and (iii) approximately 1.93% of the issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares and the Subscription Shares.

Ranking of Subscription Shares

The Subscription Shares, when issued, allotted and fully paid, will rank *pari passu* in all respects with the Shares in issue.

Subscription Price

The Subscription Price is HK\$58.85 per Subscription Share (being the same as the Placing Price) and represents:

- (i) a discount of approximately 4.00% to the closing price of HK\$61.30 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a premium of approximately 2.87% to the average closing price of HK\$57.21 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber, with reference to the prevailing market prices of the Shares. The Directors (including the independent non-executive Directors) are of the view that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable under the current market conditions, and are in the interests of the Company and its Shareholders as a whole. The total consideration for the Subscription will be payable by the Subscriber in cash.

Conditions of the Subscription

Completion of the Subscription is conditional upon, among other things, the fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the Listing Approval, and such Listing Approval not being subsequently revoked or withdrawn prior to Closing; and
- (ii) the passing by the Independent Shareholders of all necessary resolutions at the EGM approving the Subscription Agreement and the transactions contemplated hereunder (including the grant of the Specific Mandate).

For the avoidance of doubt, the Subscription and the Placing are not inter-conditional upon each other. The Placing Agent has given its written consent to the Subscription pursuant to the Placing Agreement.

Lock-up Undertaking

The Subscriber has undertaken to the Company that, for a period from the date of the Subscription Agreement up to six months after the closing date of the Subscription, it will not sell or transfer any Subscription Shares, except (i) as may be required by applicable law or regulation or by any competent authority; (ii) with the prior written consent of the Company; (iii) to any Affiliate of the Subscriber; (iv) as part of the acceptance of, or the provision of an irrevocable undertaking in relation to, a general or public tender offer for the Shares made in accordance with the Takeovers Code; and (v) pursuant to an offer by the Company to repurchase its own Shares, as long as this is executed on a pro-rata basis.

Completion of the Subscription

Completion of the Subscription shall take place on the fifth Business Day (or such other date and time as may be agreed by the Company and the Subscriber) after the satisfaction of the conditions under the Subscription Agreement. It is expected that completion of the Subscription will take place after completion of the Placing.

Application for Listing of the Subscription Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

Driven by the industry's sustained investments in research and development, inelastic demand for outsourcing, and rapid expansion into other bioconjugates modalities, general demand for the Group's XDC CRDMO services continues to grow significantly. Particularly, the Group's CRDMO business experienced robust growth throughout 2024 and the first half of 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the year ended December 31, 2024 were 90.8% and 277.2% higher, respectively, than the corresponding amounts for the year ended December 31, 2023, and the business has continued its upward trajectory in 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the six months ended June 30, 2025 were 62.2% and 52.7% higher, respectively, than the corresponding period amounts for the six months ended June 30, 2024.

In order to capture the new business opportunities emerging to the Company due to the rapidly increasing demand for discovery, development and manufacturing of bioconjugates globally, the Group must not merely continue to ensure the effective execution of its “enable, follow and win the molecule” strategy, but also crucially to substantially expand its capabilities and manufacturing capacity. The GMP release of the XDP3 facility, the Wuxi site expansion (including the ongoing construction of the XDP5 facility) and the construction of the new site in Singapore by the Group are progressing robustly as planned, which will bring additional capacity to the Group upon completion. All these have given rise to significant capital commitments for the Group. Further, despite the Group’s dedication and efforts to expanding its capacity, it is foreseen that the currently planned investments on capital expenditures will remain insufficient to fully meet the surging client demand for its CRDMO services. Accordingly, it is essential for the Company to raise additional capital to continuously expand the capacity of the Group so to secure a stable, uninterrupted and trusted source of supply to safeguard continuity of the Group’s services and client satisfaction, but also seize market opportunities, enhance market share within the industry and to maintain an industry-leading position.

The gross proceeds from the Subscription are expected to be HK\$1,420.29 million (equivalent to approximately US\$182.00 million). The net proceeds from the Subscription (after deducting all fees, costs and expenses estimated to be incurred by the Company in connection with the Subscription) will be approximately HK\$1,414.47 million (equivalent to approximately US\$181.25 million), and the net price per Subscription Share will be approximately HK\$58.61.

The Company intends to apply the total net proceeds from the Subscription as follows:

- (i) approximately 90% will be used for further expansion of the Group’s service capability and capacity including, but not limited to, its production capacity in relation to clinical and commercial manufacturing for bioconjugates, drug substances and drug products. In particular:
 - With operation expected to commence at the Singapore site by mid-2026, the Group will continue to implement its expansion plan in Singapore that will allow further integration of manufacturing functions, expedite timelines and facilitate quality assurance, enabling the Group to keep pace with the growing global demand for bioconjugate CRDMO services;
 - At the same time, the Group is undergoing additional expansion of its capacity at the Wuxi site, with XDP3 and XDP5 currently under construction and expected to commence operation respectively in the second half this year and in 2027. Additionally, the Group is also in the process of formulating plans for further expansion in new areas around the Wuxi region in China; and
 - Meanwhile, the Group is also actively exploring other expansion opportunities in various countries to further boost its much-needed production capacity. Apart from construction and expansion of the existing facilities, the Group is in the process of identifying suitable strategic alliances, investment and acquisition opportunities to further enhance its capabilities and capacity. As of the date of this announcement, it has not yet identified any concrete acquisition target; and
- (ii) approximately 10% will be used for the Group’s working capital needs and general corporate purposes.

The Directors believe that the Subscription represents a good opportunity for the Company to raise further capital to support the Group's continuous development and business growth and to further enhance the existing synergy and business collaboration between the two groups. The Subscription demonstrates the strong support and solid confidence given by the Subscriber towards the long-term development and prospects of the Group. In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement (which are entered into on normal commercial terms following arm's length negotiations among the parties) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

EQUITY FUNDRAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Save for the Placing, the Company has not conducted any fundraising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of this announcement; (b) immediately after completion of the Placing but before completion of the Subscription; and (c) immediately after completion of both the Placing and the Subscription are set out below:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>No. of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>	<i>No. of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>	<i>No. of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>
WuXi Biologics STA Pharmaceutical Hong Kong Investment Limited	611,350,500	50.73%	611,350,500	49.81%	635,484,500	50.78%
Dr. Zhisheng Chen	263,200,000	21.84%	263,200,000	21.45%	263,200,000	21.03%
The Placees	418,878	0.03%	418,878	0.03%	418,878	0.03%
Other Public Shareholders	—	—	22,277,000	1.82%	22,277,000	1.78%
	<u>330,056,163</u>	<u>27.39%</u>	<u>330,056,163</u>	<u>26.89%</u>	<u>330,056,163</u>	<u>26.73%</u>
Total	<u><u>1,205,025,541</u></u>	<u><u>100%</u></u>	<u><u>1,227,302,541</u></u>	<u><u>100%</u></u>	<u><u>1,251,436,541</u></u>	<u><u>100%</u></u>

Notes:

- (1) This table does not take into account any Shares that may be issued in respect of any share options and/or share awards granted under the Share Schemes during the relevant period or time above-mentioned.
- (2) The percentages of the shareholding in the table above may not add up to 100% due to rounding.

As at the date of this announcement, the total number of issued Shares is 1,205,025,541 Shares. Further, there are 107,250,868 outstanding share options with an exercise price of RMB1.658 to RMB6.900 per share option (equivalent to approximately HK\$1.848 to HK\$7.567 per share option) which entitle the holders of such share options to subscribe for 108,760,675 Shares under the Share Schemes and 107,250,868 outstanding share awards which entitle the holders of such share awards to 10,088,124 underlying Shares under the Share Schemes.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the provision of integrated and comprehensive services of contract research, development and manufacturing of antibody-drug conjugates and other bioconjugates.

WuXi Biologics

WuXi Biologics (Cayman) Inc. is an exempted company incorporated with limited liability in the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 2269). WuXi Biologics and its subsidiaries are principally engaged in the provision of end-to-end solutions and services for biologics discovery, development and manufacturing to customers involving in biologics industry in both the PRC and other overseas countries.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Subscriber is a controlling shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting, circular and the Independent Shareholders' approval requirements. The Subscriber and its respective associates will abstain from voting on the relevant resolution approving the Subscription and the Specific Mandate at the EGM.

Dr. Zhisheng Chen, Mr. Kenneth Walton Hitchner III and Dr. Jijie Gu, who are directors and/or senior management of the Subscriber and the Company (as the case may be), have abstained from voting on the relevant Board resolutions approving the Subscription and the Specific Mandate. Save as disclosed above, none of the other Directors has, or is considered to have, any material interests in the above transactions.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has, pursuant to the Listing Rules, established the Independent Board Committee comprising Dr. Ulf Grawunder and Mr. Hao Zhou, being all the independent non-executive Directors who have no direct or indirect interest in the Subscription and the Specific Mandate, to advise the Independent Shareholders on the terms of the Subscription Agreement and the Specific Mandate and as to voting at the EGM. The Independent Financial Adviser will also be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate. The voting in relation to the Subscription Agreement and the Specific Mandate at the EGM will be conducted by way of a poll, whereby the Subscriber and its associates together with any other Shareholders who are interested or involved in the Subscription Agreement and/or the Specific Mandate shall abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the Specific Mandate.

A circular containing, among other things, (i) further details of the Subscription Agreement and the Specific Mandate; (ii) recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the Specific Mandate; and (iv) a notice of EGM together with the form of proxy will be despatched by the Company to the Shareholders accordingly.

Since completion of the Subscription is subject to the fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“antibody drug conjugate(s)” or “ADC(s)”	an emerging class of highly potent biopharmaceutical drugs designed as a targeted therapy combining the specific targeting capabilities of monoclonal antibodies with the cancer-killing ability of cytotoxic drugs for the treatment of cancer
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company

“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
“Company”	WuXi XDC Cayman Inc. (藥明合聯生物技術有限公司*), an exempted company incorporated under the laws of Cayman Islands with limited liability on December 14, 2020, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“CRDMO”	Contract Research, Development and Manufacturing Organization
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder together with the grant of Specific Mandate to issue and allot the Subscription Shares
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Company comprising Dr. Ulf Grawunder and Mr. Hao Zhou, being all the independent non-executive directors of the Company who have no direct or indirect interest in the Subscription and the Specific Mandate, which is established to advise the Independent Shareholders on such matters to be approved at the EGM
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the Specific Mandate

“Independent Shareholders”	Shareholders other than the Subscriber, its associates and any other parties who are interested or involved in the Subscription and the Specific Mandate
“Last Trading Date”	September 2, 2025, being the last trading day prior to the signing of the Placing Agreement and the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“Placing”	the placing of new Shares pursuant to the Placing Agreement
“Placing Agent”	Morgan Stanley Asia Limited
“Placing Agreement”	the conditional placing agreement dated September 2, 2025 between the Company and the Placing Agent in respect of the Placing
“Placing Announcement”	the announcement of the Company dated September 2, 2025 in relation, among others, the Placing
“Placing Price”	HK\$58.85 per Placing Share
“Placing Shares”	an aggregate of 22,277,000 new Shares to be issued and allotted under the Placing pursuant to the Placing Agreement
“Prospectus”	the prospectus of the Company dated November 7, 2023
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary shares in the share capital of the Company with a par value of US\$0.00005 each
“Share Schemes”	collectively, (i) the share option scheme adopted by the Company on November 23, 2021, (ii) the share option scheme adopted by the Company on March 22, 2023 and (iii) the share scheme adopted by the Company on June 12, 2024
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Board for the issue and allotment of the Subscription Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “WuXi Biologics”	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司)*, an exempted company incorporated with limited liability in the Cayman Islands, with its shares being listed on the Main Board of the Stock Exchange (HKEx stock code: 2269)
“Subscription”	the subscription of the Subscription Shares at the Subscription Price by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated September 3, 2025 between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$58.85 per Subscription Share
“Subscription Shares”	an aggregate of 24,134,000 new Shares to be issued and allotted by the Company to the Subscriber pursuant to the Subscription Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
WuXi XDC Cayman Inc.
Dr. Jincal LI

Executive Director and Chief Executive Officer

Hong Kong, September 3, 2025

For the purpose of this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.8038. The exchange rate is used for illustration purposes only and should not be taken as a representation that the HK\$ amount could actually be converted into US\$ at that rate, or at all.

As at the date of this announcement, the board of directors of the Company comprises (i) Dr. Jincal LI, Mr. Jerry Jingwei ZHANG and Mr. Xiaojie XI as executive directors; (ii) Dr. Zhisheng CHEN, Dr. Jijie GU and Ms. Ming SHI as non-executive directors; and (iii) Dr. Ulf GRAWUNDER, Mr. Kenneth Walton HITCHNER III and Mr. Hao ZHOU as independent non-executive directors.

* For identification purpose only