



Shanghai Henlius Biotech, Inc.

上海復宏漢霖生物技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2696)

23 December 2024

To the Independent H Shareholders

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF HENLIUS BY FOSUN NEW MEDICINE
BY WAY OF MERGER BY ABSORPTION OF HENLIUS
(2) PROPOSED WITHDRAWAL OF LISTING
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING
AND
(4) NOTICE OF THE H SHAREHOLDERS' CLASS MEETING**

INTRODUCTION

We refer to the composite document dated 23 December 2024 jointly issued by the Offeror, Fosun Pharma and the Company (the “**Composite Document**”), of which this letter forms part. Unless the context otherwise requires, terms defined in the Composite Document shall have the same meaning when used in this letter.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent H Shareholders as to whether the terms of the Merger are, or are not, fair and reasonable and as to voting.

Rainbow Capital (HK) Limited has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise us as to whether or not the terms of the Merger are fair and reasonable so far as the Independent H Shareholders are concerned and as to voting. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the letter from Independent Financial Adviser on pages 59 to 102 of the Composite Document. We also wish to draw your attention to, and advise you to read, the letter from the Board on pages 19 to 56 of the Composite Document, the letter from the Independent Financial Adviser on pages 59 to 102 of the Composite Document and the appendices to the Composite Document.

We, being the members of the Independent Board Committee, have declared that we are independent and do not have any conflict of interest in respect of the Merger and are therefore able to consider the terms of the Merger and to make recommendations to the Independent H Shareholders.

RECOMMENDATION

Having considered the principal factors and reasons considered by, and the advice of the Independent Financial Adviser as set out in its letter, we concur with the view of the Independent Financial Adviser and consider the terms of the Merger to be fair and reasonable so far as the Independent H Shareholders are concerned.

Accordingly, we concur with the recommendation of the Independent Financial Adviser, and would recommend the Independent H Shareholders to (i) vote in favour of the Merger at the EGM and H Shareholders' Class Meeting and (ii) elect the Cash Alternative (except for any of them who are sophisticated investors and are particularly attracted by the background of the Offeror and the future prospects and profitability of the Group may consider taking the Share Alternative).

The Independent H Shareholders should note the estimated value of each SPV Share as well as the key risks of holding the SPV Shares which are set out in the sections headed "APPENDIX V — ESTIMATE OF VALUE OF THE ROLLOVER SECURITIES" and "5. INFORMATION ON THE SHARE ALTERNATIVE — Risk Factors" in the "LETTER FROM THE BOARD", respectively. For clarification purpose, the estimated price range of the SPV Shares reflects the estimated value of the Rollover Entities only and is not equivalent to the Cancellation Price. In addition, the election of the Cash Alternative allows the Independent H Shareholders to realise their investment in the Company and receive cash, while the Share Alternative will result in the Independent H Shareholders remaining indirect investors in the Company and therefore exposed to uncertainties and fluctuations in the value of SPV Shares going forward, as well as inherent risks of being a minority shareholder of a private company. As such, we recommend the Independent H Shareholders to elect the Cash Alternative (except for any of them who are sophisticated investors and are particularly attracted by the background of the Offeror and the future prospects and profitability of the Group may consider taking the Share Alternative).

Notwithstanding our views and recommendation in respect of the terms of the Merger, the Shareholders are strongly advised to exercise their independent decision on voting at the EGM and the H Shareholders' Class Meeting. If in doubt, the Shareholders should consult their own professional advisers for professional advice.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Yours faithfully,

For and on behalf of
THE INDEPENDENT BOARD COMMITTEE



SO Tak Young
*Independent non-
executive Director*

CHAN Lik Yuen
*Independent non-
executive Director*

ZHAO Guoping
*Independent non-
executive Director*

SONG Ruilin
*Independent non-
executive Director*

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