

## ROLLOVER AGREEMENT

This **ROLLOVER AGREEMENT** (this “**Agreement**”) dated as of 28 March 2024 is made by and among:

- (1) **Silver Pegasus Investment Limited** (the “**Offeror**”), an exempted company incorporated in the Cayman Islands with limited liability with registration number 407424 and whose registered office is at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands;
- (2) **Silver Pegasus Holding Limited** (the “**Topco**”), an exempted company incorporated in the Cayman Islands with limited liability with registration number 407413 and whose registered office is at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands; and
- (3) **Convergence International Holdings Ltd.** (“**Convergence**”), a company incorporated in the British Virgin Islands with limited liability and whose registered office is at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

The foregoing parties are hereinafter referred to collectively as the “**Parties**” and individually as a “**Party**”.

### WHEREAS

- (A) SciClone Pharmaceuticals (Holdings) Limited (the “**Company**”), is a company incorporated in the Cayman Islands with limited liability, whose ordinary shares (“**Shares**”) are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 6600). As at the date of this Agreement, the Company has an authorised share capital of US\$50,000 divided into 1,000,000,000 Shares, and the Company has 627,646,692 Shares in issue.
- (B) On 19 March 2024, the Offeror submitted a proposal (the “**Proposal**”) to the board of directors of the Company in connection with the privatisation of the Company by way of a scheme of arrangement (the “**Scheme**”) and the delisting of the Company from the Stock Exchange as a result of the privatisation (together, the “**Transaction**,” the full details of which are included in the draft announcement (the “**Announcement**”) appended in Annexure A hereto.
- (C) As of the date of this Agreement, Convergence holds 11,979,690 Shares (the “**Convergence Rollover Shares**”), representing approximately 1.91% of the total issued share capital of the Company. The Offeror intends to allow Convergence to roll over its shareholdings in the Company and become an indirect shareholder of the Company after the Scheme becomes effective.
- (D) The Offeror intends to finance the cash requirement for the Proposal through (i) a binding equity commitment letter from GL China Opportunities Fund IV (Canada) L.P. and GL China Opportunities Fund IV L.P. and (ii) an external debt financing (the “**Acquisition Financing**”). The Acquisition Financing is secured by, among others, equitable mortgages and charges over (a) 100% of the shares in the Offeror; and (b) 100% of the Shares (the “**Charges**”).

**NOW THEREFORE**, in consideration of the foregoing recitals and of the mutual agreements and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. Definitions and interpretation**

1.1 In this Agreement, terms used and defined in the Announcement shall have the same meaning when used herein unless otherwise defined:

“**Affiliate**” means (i) in relation to an individual, that individual’s close relatives (being any spouse, child (including adopted child and step-child), parent or sibling of that individual), any person which is Controlled by that individual and/or that individual’s close relatives (acting singly or together) (“**Controlled Entity**”) and any Affiliate of a Controlled Entity; and (ii) in relation to any other person, any other person that (directly or indirectly) Controls, is Controlled by or is under common Control with such person;

“**Business Day**” means any day on which the Stock Exchange is open for the transaction of business; and

“**Control**” means (i) direct or indirect ownership or control of more than 50% of the outstanding voting securities of such person; (ii) the ability to appoint or remove more than one-half of the directors of the board (or equivalent governing body) of such person; (iii) the right to control the votes at a meeting of the board of directors (or equivalent governing body) of such person; or (iv) the ability to direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising), and the terms “**Controlling**” and “**Controlled**” have meanings correlative to the foregoing.

1.2 In this Agreement (unless the context otherwise requires):

- (a) references to Clauses are to clauses in this Agreement (unless the context otherwise requires);
- (b) use of any gender includes the other genders and use of the singular includes the plural and vice versa unless the context requires otherwise;
- (c) references to a “person” shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (d) unless otherwise defined herein, words and expressions defined in the Companies Ordinance (Cap 622 of the laws of Hong Kong) shall bear the same respective meanings when used in this Agreement;
- (e) a reference to any Party to this Agreement or any other agreement or document includes the Party’s successors and permitted assigns;
- (f) the ejusdem generis principle of construction shall not apply to this Agreement. Accordingly general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;

- (g) references in this Agreement to statutory provisions shall be construed as references to those provisions as respectively amended, consolidated, extended or re-enacted from time to time and any orders, regulations, instruments or other subordinate legislation made from time to time under the statute concerned;
- (h) any reference to a “day” (including within the phrase “Business Day”) shall mean a period of 24 hours running from midnight to midnight;
- (i) references to times are to Hong Kong time; and
- (j) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time. All headings and titles are inserted for convenience only. They are to be ignored in the interpretation of this Agreement.

## **2. Convergence Rollover Arrangement**

Subject to the terms and conditions of this Agreement, each of the Parties agrees that (i) the Convergence Rollover Shares will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting and the Rollover Arrangements at the extraordinary general meeting of the Company, and (ii) the Convergence Rollover Shares will not be cancelled and extinguished on the date when the Scheme becomes effective, and accordingly, Convergence will remain as a shareholder of the Company on the register of the Company on the effective date of the Scheme (collectively with the arrangement under Clause 4, the “**Convergence Rollover Arrangement**”).

## **3. Conditions**

The implementation of the Convergence Rollover Arrangement is subject to the fulfilment of the following conditions:

- (a) the receipt of an opinion from the independent financial adviser to the independent board committee of the Company established for the purpose of the Proposal confirming that the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned;
- (b) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangements;
- (c) the Scheme becoming effective; and
- (d) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangements.

## **4. Convergence’s Ownership in the Offeror**

- 4.1 Convergence irrevocably undertakes, immediately upon the Scheme becoming effective and by no later than five Business Days after the Scheme becomes effective, to transfer all of the legal and beneficial interests in the Convergence Rollover Shares to the Offeror solely in consideration for an aggregate of 11,979,690 shares to be issued by Topco to Convergence credited as fully paid at the Cancellation Price.

- 4.2 In consideration for the foregoing, Topco hereby irrevocably undertakes to allot and issue an aggregate of 11,979,690 shares to Convergence and the number so allocated to Convergence shall be equivalent to the number of Shares held by Convergence in the Company as at the date of this Agreement.
- 4.3 Each of the GL Rollover Shareholders acknowledges that its indirect shareholding interests in the Company after the Scheme becomes effective will be subject to the Charges.

## **5. Representations and Undertakings**

- 5.1 Convergence irrevocably represents and undertakes to the Offeror that as at the date hereof and at all times until the Scheme becomes effective or the completion of the Convergence Rollover Arrangement (as applicable):
- (a) it is the sole beneficial owner of the Convergence Rollover Shares, free and clear of any lien, charge, mortgage, encumbrance, option, claim, right of pre-emption or any third party rights whatsoever and all such Convergence Rollover Shares have been properly allotted and issued and are fully paid-up;
  - (b) there is no third party holding the legal title to any Shares as its nominee, trustee, depositary or custodian;
  - (c) save as disclosed in Clause 5.1(a) above in respect of the Convergence Rollover Shares, as at the date of this Agreement, it is not interested in, does not own, hold, control or has direction over, any Shares, convertible securities, warrants, options or any other securities of the Company or derivatives in respect of securities in the Company, nor has any right to subscribe, purchase or otherwise acquire any Shares or other securities in the Company;
  - (d) it will not, directly or indirectly, take any action which will preclude, prejudice, restrict or delay the successful outcome of the Scheme or the Proposal or the Transaction or otherwise conflict with or diminish its obligations hereunder;
  - (e) subject to compliance with relevant laws and regulations, it will do all such acts and things and execute all such documents as may be reasonably required by the Offeror to give effect to the undertakings contained in this Agreement;
  - (f) it shall comply with all applicable laws relevant to the Transaction (including the general principles and rules of the Takeovers Code together with any rulings by the SFC or the Takeovers Panel relating to the Scheme and its financing);
  - (g) it will provide the Offeror with all such information in relation to its interests in the Shares as the Offeror may reasonably require to comply with all applicable legal or regulatory requirements; and
  - (h) to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, it will exercise the voting rights in respect of the Shares owned by it directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at an extraordinary general meeting of the

Company (including the resolutions in relation to: (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares and (ii) contemporaneously therewith maintain the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror), and that it shall be bound by, and take all actions necessary to implement the Scheme.

5.2 Each Party represents and warrants to the each of the other Parties that:

- (a) it has full power, authority and capacity, and has taken all actions and has obtained all consents, approvals and authorisations from any governmental or regulatory bodies or other third parties required, to enter into, and perform its obligations under this Agreement;
- (b) it has taken all necessary steps to perform its obligations under this Agreement and to give effect to this Agreement and the transactions contemplated in this Agreement; and this Agreement, when executed, will constitute legal, valid and binding obligations of its; and
- (c) the execution, delivery and the performance of this Agreement by it and the consummation of the Convergence Rollover Arrangement and the Transaction will not (i) violate any provision of its constitutional documents or any organisation or governance document of such Party; (ii) contravene or result in a contravention of the laws or regulations of any jurisdiction to which it is subject in respect of the transactions contemplated under this Agreement and the Transaction; or (ii) conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement to which such Party is a party or by which such Party is bound.

5.3 Topco irrevocably undertakes that it will not issue shares at a price which is lower than the Cancellation Price before the Scheme becoming effective.

## **6. Dealing Restrictions; Voting Rights and Prejudicial Actions**

At any time from the date of this Agreement until the Scheme becomes effective, lapses or is withdrawn (whichever later), Convergence shall not:

- (a) directly or indirectly, sell, transfer, charge, encumber, or grant any option over or otherwise dispose of any interest in any of the Shares held by it (or permit any such action to occur), nor will it accept any other offer in respect of all or any such Shares or any interest therein;
- (b) accept, or give any undertaking (whether conditional or unconditional) to accept, exercise voting rights attached to the Convergence Rollover Shares to approve or otherwise agree to any offer, scheme of arrangement, merger or other business combination made or proposed to be made in respect of such Shares or

disposal of material assets of the Company and its subsidiaries by any person other than pursuant to the Proposal;

- (c) except to the extent required under the Takeovers Code, the Listing Rules or any applicable laws and regulations, take any action or make any statement which may have the effect of delaying, disrupting or otherwise causing the Scheme not to become effective at the earliest practicable time or at all, or which is or may be prejudicial to the success of the Scheme; or
- (d) directly or indirectly, acquire, subscribe for or otherwise deal in the Shares, convertible securities, options or other securities of the Company without prior consent of the Offeror.

## **7. Termination**

The rights and obligations of the Parties pursuant to this Agreement shall terminate when the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, finally refused or finally rejected by the Grand Court of the Cayman Islands (but without prejudice to any accrued liabilities arising prior to such termination).

## **8. Further Assistance**

Each Party agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law and regulation (including but not limited to the Takeover Code and the Listing Rules) or as any Party may reasonably require to implement and/or give effect to this Agreement and the transactions contemplated hereunder.

## **9. Governing Law**

This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the laws of any jurisdiction other than Hong Kong.

## **10. Dispute Resolution**

- 10.1 Any disputes, actions and proceedings against any Party or arising out of or in any way relating to this Agreement shall be submitted to the Hong Kong International Arbitration Centre ("**HKIAC**") and resolved in accordance with the Arbitration Rules of HKIAC in force at the relevant time (the "**Rules**") and as may be amended by this Clause 10. The place of arbitration shall be Hong Kong. The official language of the arbitration shall be English and the arbitration tribunal shall consist of three arbitrators (each, an "**Arbitrator**"). The claimant(s), irrespective of number, shall nominate jointly one Arbitrator; the respondent(s), irrespective of number, shall nominate jointly one Arbitrator; and a third Arbitrator will be nominated jointly by the first two Arbitrators and shall serve as chairman of the arbitration tribunal. In the event the claimant(s) or respondent(s) or the first two Arbitrators shall fail to nominate an Arbitrator or agree on the joint nomination of the third Arbitrator, as applicable, within the time limits

specified by the Rules, such Arbitrator shall be appointed promptly by the HKIAC. The arbitration tribunal shall have no authority to award punitive or other punitive-type damages. The award of the arbitration tribunal shall be final and binding upon the disputing Parties. Any Party to an award may apply to any court of competent jurisdiction for enforcement of such award and, for purposes of the enforcement of such award, the Parties irrevocably and unconditionally submit to the jurisdiction of any court of competent jurisdiction and waive any defences to such enforcement based on lack of personal jurisdiction or inconvenient forum.

- 10.2 Notwithstanding the foregoing, the Parties hereby consent to and agree that in addition to any recourse to arbitration as set out in this Clause 10, any Party may, to the extent permitted under the laws of the jurisdiction where application is made, seek an interim injunction from a court or other authority with competent jurisdiction and, notwithstanding that this Agreement is governed by the laws of Hong Kong, a court or authority hearing an application for injunctive relief may apply the procedural law of the jurisdiction where the court or other authority is located in determining whether to grant the interim injunction. For the avoidance of doubt, this Clause 10.2 is only applicable to the seeking of interim injunctions and does not restrict the application of Clause 10.1 in any way.

#### **11. Successors and Assigns; Third-Party Beneficiaries**

This Agreement may not be assigned by any Party or by operation of law or otherwise without the prior written consent of the other Parties. Any attempted assignment in violation of this Clause 11 shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the Parties. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the Parties and (subject to the foregoing provisions of this Clause 11) their respective successors, permitted assigns, heirs, executors and administrators any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement, except as specifically set forth in this Agreement.

#### **12. Severability**

In the event that any provision hereof would, under applicable law, be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

#### **13. Notices**

- 13.1 A notice under this Agreement shall only be effective if it is in writing.
- 13.2 Notices under this Agreement shall be sent to a Party at its address or email address and for the attention of the individual set out below:



(a) If to the Offeror and Topco:  
  
Unit 3001, China World Tower 2  
No. 1 Jian Guo Men Wai Avenue  
Beijing, 100004  
  
Attention: Ms. Lin Shirley Yi-Hsien  
  
Email: slin@gl-investment.com

(b) If to the Rollover Shareholders:  
  
22F, Central Plaza, 381 Middle Huaihai Road, Shanghai 200021  
  
Attention: ZHAO Hong  
  
Email: hongzhao@sciclone.com

provided that a Party may change its notice details by giving notice to the other Party of the change in accordance with this Clause, provided that such notice shall only be effective on the day falling five clear Business Days after the notification has been received or such later date as may be specified in the notice.

13.3 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

- (a) if delivered by hand, post or airmail, upon delivery to the relevant address specified above, if delivered during a Business Day or at the start of the next Business Day, if delivered at any other time; and
- (b) if delivered by email, at the time of transmission by the sender, if such time is during a Business Day, or at the start of the next Business Day, if delivered at any other time, provided that the sender does not receive a message that the email was unable to be sent.

#### **14. Announcement**

14.1 Subject to Clause 14.2, no announcement, press release, public statement, or other communications (“**Public Release**”) concerning the existence or the subject matter of this Agreement, shall be issued by or on behalf of any Party to the general public in any form without the prior written consent of all the other Parties, such consent not to be unreasonably withheld or delayed or conditioned.

14.2 Clause 14.1 does not apply to any Public Release required by the applicable laws and regulations, including without limitation, the Takeovers Code, the Listing Rules and the Stock Exchange, if the Party required to make or send it has:

- (a) provided each other Party with sufficient notice to enable it to seek a protective order or other remedy, and



- (b) provided all assistance and co-operation that each other Party considers necessary to prevent or minimize that disclosure.
- 14.3 The restrictions contained in this Clause 14 shall continue to apply after termination of this Agreement without limit in time.
- 15. Confidentiality**
- 15.1 Each Party shall treat as strictly confidential and shall not disclose to any other person any and all information: (i) received or obtained as a result of entering into or performing this Agreement; (ii) which relates to the provisions, negotiations or subject matter of this Agreement; or (iii) which relates to another Parties (collectively “**Confidential Information**”).
- 15.2 A Party may disclose or use Confidential Information which would otherwise be subject to the provisions of Clause 15.1 if and to the extent:
  - (a) Confidential Information is disclosed in the Announcement;
  - (b) the disclosure or use is required by the Takeovers Code, the Listing Rules, the other applicable laws and regulations or any authority to which such Party is subject to or submits (whether or not the request for information has the force of law);
  - (c) disclosure or use is required by existing contractual obligations which it is subject to prior to the date of this Agreement (provided that it has informed the other Parties of such contractual obligations in writing before the execution of this Agreement);
  - (d) Confidential Information is disclosed on a need to know and strictly confidential basis to its Affiliates or their respective directors, officers, employees, advisers, bankers, financiers or agents (collectively the “**Representative**”), provided that such recipients agree to be bound by equivalent confidentiality restrictions;
  - (e) Confidential Information was lawfully in its possession or in the possession of any of its Affiliates or their respective Representatives;
  - (f) Confidential Information is or becomes in the public domain through no fault of that Party or any of its Affiliates or their respective Representatives;
  - (g) the relevant other Parties have given prior written consent to the disclosure or use (such consent not to be unreasonably withheld or delayed);
  - (h) Confidential Information is independently developed by that Party after the date of this Agreement; or
  - (i) the disclosure or use is required to enable that Party to perform this Agreement or enforce its rights under this Agreement or otherwise vest the full benefit of this Agreement in that Party.
- 15.3 The restrictions contained in this Clause 15 shall continue to apply after termination of this Agreement without limit in time.

## **16. Counterparts**

This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts. Each counterpart shall be deemed an original, and all of which together shall constitute one and the same instrument. Delivery of a counterpart of this Agreement by email (including by attachment) or telecopy shall be an effective mode of delivery.

## **17. Remedies**

- 17.1 Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. No failure or delay on the part of any Party in the exercise of any right hereunder will impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor will any single or partial exercise of any such right preclude other or further exercise thereof or of any other right.
- 17.2 Each of the Parties acknowledge that the other Party may be irreparably harmed by any breach of the terms of this Agreement and that damages alone may not necessarily be an adequate remedy. Accordingly, each Party shall be entitled to seek the remedies of final or interim injunction, specific performance and other equitable relief, or any combinations of these remedies, for any potential or actual breach of the terms of this Agreement.

## **18. Entire Agreement**

This Agreement constitutes the entire agreement, and supersedes all prior agreements, understandings, negotiations and statements, both written and oral, among the Parties with respect to the subject matter contained herein.

## **19. Amendments and Modification**

This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing signed on behalf of each Party.

## **20. Waiver**

Any agreement by a Party on any waiver shall be valid only if set forth in a written instrument executed and delivered by such Party.

## **21. Third Party Rights**

The Parties do not intend that any term of this Agreement should be enforceable by any person who is not a party to this Agreement (whether by virtue of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) or otherwise) and the Parties may amend, vary, waive, terminate or rescind this Agreement at any time and in any way without the consent of any third party.

*[The remainder of this page is intentionally left blank.]*

This Agreement has been entered into on the date stated at the beginning of it.

Signed by

for and on behalf of

**Silver Pegasus Investment Limited**

A handwritten signature in black ink, consisting of a large 'O' followed by a stylized 'Z' and 'F' with a trailing flourish.

.....  
Name: LI Zhenfu

Title: Director

This Agreement has been entered into on the date stated at the beginning of it.

Signed by

for and on behalf of

**Silver Pegasus Holding Limited**



.....

Name: LI Zhenfu

Title: Director

This Agreement has been entered into on the date stated at the beginning of it.

Signed by

**Convergence International Holdings Ltd.**



.....  
Name: Zhao Hong

Title: Director

**Annexure A**  
**Announcement**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction.*

*This announcement is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.*



**GL Capital Group**  
**德福資本**

**Silver Pegasus Investment Limited**

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



**SciClone Pharmaceuticals (Holdings)  
Limited**

**賽生藥業控股有限公司\***

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

**(Stock code: 6600)**

## **JOINT ANNOUNCEMENT**

- (1) PROPOSAL FOR THE PRIVATISATION OF  
SCICLONE PHARMACEUTICALS (HOLDINGS) LIMITED  
BY SILVER PEGASUS INVESTMENT LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES ACT)**
- (2) PROPOSED WITHDRAWAL OF LISTING OF  
SCICLONE PHARMACEUTICALS (HOLDINGS) LIMITED**
- (3) SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENTS**
- (4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**
- (5) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**
- AND**
- (6) RESUMPTION OF TRADING IN THE SHARES**

**Financial Adviser to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**





## SCHEME OF ARRANGEMENT

The respective directors of the Offeror and the Company jointly announce that on 19 March 2024, the Offeror requested the Board to put forward the Proposal to the holders of Scheme Shares for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act.

The Scheme will provide that the Scheme Shares will be cancelled in exchange for HK\$18.8 in cash for each Scheme Share. The Rollover Shares will not form part of the Scheme Shares and will not be cancelled. Following the Scheme becoming effective, pursuant to the Rollover Agreements, the Rollover Shares will be transferred to the Offeror in consideration for an aggregate of 209,084,863 shares to be issued by Topco (which wholly owns the Offeror) to the Rollover Shareholders credited as fully paid at the Cancellation Price.

SFC 1<sup>st</sup>  
Q2

Upon the completion of the Scheme and the transfers of the Rollover Shares pursuant to the Rollover Agreements, the Company will become wholly-owned by the Offeror.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced (and the price of the Option Offer shall be reduced accordingly). The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). As at the Announcement Date, the Company has no declared but unpaid dividends and/or other distribution and/or other return of capital.

SFC 1<sup>st</sup>  
Q3

**The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

The Cancellation Price of HK\$18.8 represents:

- a premium of approximately 33.90% over the closing price of HK\$14.04 per Share as quoted on the Stock Exchange on the Undisturbed Date;
- a premium of approximately 36.03% over the average closing price of approximately HK\$13.82 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Undisturbed Date;
- a premium of approximately 47.47% over the average closing price of approximately HK\$12.75 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- a premium of approximately 47.93% over the average closing price of approximately HK\$12.71 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date;

- a premium of approximately 58.06% over the average closing price of approximately HK\$11.89 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Undisturbed Date;
- a premium of approximately 67.06% over the average closing price of approximately HK\$11.25 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Date;
- a premium of approximately 17.21% over the closing price of HK\$16.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 30.81% over the average closing price of approximately HK\$14.37 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 45.72% over the average closing price of approximately HK\$12.90 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 47.61% over the average closing price of approximately HK\$12.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 57.34% over the average closing price of approximately HK\$11.95 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 66.60% over the average closing price of approximately HK\$11.28 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 227.50% to the Group's net asset value attributable to the Shareholders of approximately HK\$5.74 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2023, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB3,265,067,000 (based on the exchange rate of HK\$1: RMB0.90622, the central parity rate published by the People's Bank of China on its website as at 29 December 2023 for illustrative purposes) as at 31 December 2023 and the Shares in issue as at the Announcement Date.

The trading volume on the Last Trading Day was 9,741,510 Shares. The average daily trading volume over the Undisturbed Period was 2,034,657 Shares. The share price of the Company traded up by 14.25% on the Last Trading Day. In contrast, the Hang Seng Index traded up by 0.10% on the Last Trading Day.

The implementation of the Proposal and the Scheme will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions as described in the section headed "Conditions of

the Proposal” below. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

### **OPTION OFFER**

As at the Announcement Date, there are (a) 37,023,842 Share Options (all of which are vested) granted under the Option Incentive Plan, comprising (i) 20,412,842 Share Options entitling the holders to subscribe for 20,412,842 new Shares and (ii) 16,611,000 Share Options entitling the holders to receive 16,611,000 existing Shares from the Option Trustee; and (b) 34,008,170 Share Options (8,446,020 of which are vested) granted under the Post-IPO Option Plan entitling the holders to subscribe for 34,008,170 new Shares. The Company will not grant any further Share Options under the Option Incentive Plan or the Post-IPO Option Plan before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier).

SFC 1<sup>st</sup>  
Q4

The exercise of all the Subject Share Options in full would result in the issue of 54,421,012 new Shares, representing approximately 8.67% of the issued share capital of the Company as at the Announcement Date and approximately 7.98% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the Optionholders to cancel every vested and unvested Subject Share Option in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer the Optionholders the “see-through” price (being the Cancellation Price minus the relevant exercise price in case of the Subject Share Options) for each Subject Share Option they hold for the cancellation of every Subject Share Option in accordance with Rule 13 of the Takeovers Code.

### **FINANCIAL RESOURCES**

Taking into account that the Rollover Shares will not constitute Scheme Shares, and on the assumption that (a) all Subject Share Options (apart from the Subject Share Options which are held by Mr. Zhao and Ms. Pan) as at the Record Date are exercised and all the Optionholders of such Subject Share Options become holders of Scheme Shares on or before the Record Date, (b) Mr. Zhao and Ms. Pan will not exercise any Subject Share Options held by them in accordance with the Irrevocable Undertaking and will only be entitled to the “see-through” price under the Option Offer, and (c) there is no other change in the issued share capital of the Company and no Share Options will be granted by the Company on or before the Record Date, the Proposal will involve the cancellation of 449,724,099 Scheme Shares, in exchange for the Cancellation Price of HK\$18.8 per Scheme Share in cash and the cancellation of the Subject Share Options held by Mr. Zhao and Ms. Pan at the “see-through” price per Subject Share Option in cash as set out in the paragraph headed “Option Offer”. Therefore, the maximum amount of cash consideration payable under the Proposal would be approximately HK\$8,788,907,640.30.

The Offeror intends to finance the cash requirement for the Proposal through a binding equity commitment letter from the GL Canadian Fund and the GL Cayman Fund and external debt financing. In addition, the GL Canadian Fund and the GL Cayman Fund have a general fund credit facility and have set aside additional internal cash resources to support their equity commitment to the Offeror.

SFC 2<sup>nd</sup>  
Q1

[CICC, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its payment obligations in respect of the cash consideration payable under the Proposal].

### **SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENTS**

The Offeror proposes that (i) the RSU Trustee will roll over the RSU Trustee Rollover Shares (being 2,001,113 Shares, representing approximately 0.32% of the issued share capital of the Company as at the Announcement Date) and (ii) Convergence will roll over the Shares held by it (being 11,979,690 Shares, representing approximately 1.91% of the issued share capital of the Company as at the Announcement Date), each through Topco after the Scheme becomes effective. Accordingly, the RSU Trustee Rollover Shares and the Shares held by Convergence will not form part of the Scheme Shares.

#### **Trustee Rollover Agreement**

The Offeror, Topco and the RSU Trustee have entered into the Trustee Rollover Agreement on [●] March 2024, pursuant to which:

- (a) subject to Condition (f) in the section headed “Conditions of the Proposal” and the Scheme becoming effective, the RSU Trustee will remain as a Shareholder until the Scheme becomes effective, the RSU Trustee Rollover Shares will not constitute Scheme Shares and all Shares held by the RSU Trustee will not be voted on the Scheme at the Court Meeting or the Rollover Arrangements at the extraordinary general meeting of the Company; and
- (b) upon the Scheme becoming effective, the RSU Trustee Rollover Shares will then be transferred to the Offeror in consideration for an aggregate of 2,001,113 shares to be issued by Topco to the RSU Trustee credited as fully paid at the Cancellation Price. After completion of the Scheme and the transfers of the RSU Trustee Rollover Shares, the RSU Trustee will, through Topco, hold an indirect interest in the Company.

The Trustee Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

#### **Convergence Rollover Agreement**

The Offeror, Topco and Convergence have entered into the Convergence Rollover Agreement on [●] March 2024, pursuant to which:

- (a) subject to Condition (f) in the section headed “Conditions of the Proposal” and the Scheme becoming effective, Convergence will remain as a Shareholder until the Scheme becomes effective, the Shares held by Convergence will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting or the Rollover Arrangements at the extraordinary general meeting of the Company;
- (b) upon the Scheme becoming effective, the Shares held by Convergence will then be transferred to the Offeror in consideration for an aggregate of 11,979,690 shares to be issued by Topco to Convergence credited as fully paid at the Cancellation Price. After

completion of the Scheme and the transfers of the Shares held by Convergence, Convergence will, through Topco, hold an indirect interest in the Company;

- (c) Convergence has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by it directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at an extraordinary general meeting of the Company, and that it shall be bound by, and take all actions necessary to implement the Scheme; and
- (d) Convergence has further undertaken that it shall not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it, nor will it accept any other offer in respect of all or any of such Shares.

The Convergence Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

#### **GL ROLLOVER AGREEMENT**

As at the Announcement Date, the GL Rollover Shareholders (being concert parties of the Offeror) hold in aggregate 195,104,060 Shares, representing approximately 31.09% of the issued share capital of the Company.

SFC 1<sup>st</sup>  
Q6

The Offeror, Topco and the GL Rollover Shareholders have entered into the GL Rollover Agreement on [●] March 2024, pursuant to which:

- (a) subject to Condition (f) in the section headed "Conditions of the Proposal" and the Scheme becoming effective, the GL Rollover Shareholders will remain as Shareholders until the Scheme becomes effective, the Shares held by the GL Rollover Shareholders will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting or the Rollover Arrangements at the extraordinary general meeting of the Company;
- (b) upon the Scheme becoming effective, the Shares held by the GL Rollover Shareholders will then be transferred to the Offeror in consideration for an aggregate of 195,104,060 shares to be issued by Topco to the GL Rollover Shareholders credited as fully paid at the Cancellation Price. After completion of the Scheme and the transfers of the Shares held by the GL Rollover Shareholders, each GL Rollover Shareholder will, through Topco, hold an indirect interest in the Company;
- (c) the GL Rollover Shareholders have each undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by them directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme

proposed at an extraordinary general meeting of the Company, and that each shall be bound by, and take all actions necessary to implement the Scheme; and

- (d) the GL Rollover Shareholders have each further undertaken that they shall not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by them, nor will they accept any other offer in respect of all or any of such Shares.

The GL Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

### **IRREVOCABLE UNDERTAKING**

The Offeror, Mr. Zhao and Ms. Pan have entered into the Irrevocable Undertaking on [●] March 2024, pursuant to which each of Mr. Zhao and Ms. Pan has undertaken:

- (a) not to exercise any Share Options held by him / her and to accept the Option Offer in respect of all his / her Share Options;
- (b) to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by them directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at an extraordinary general meeting of the Company, and that each shall be bound by, and take all actions necessary to implement the Scheme; and
- (c) not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by them, nor will they accept any other offer in respect of all or any of such Shares.

The Irrevocable Undertaking will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises all the non-executive Directors (other than Mr. Li, Dr. Vasella and Ms. Lin), namely Ms. Wang Haixia, Dr. Liu Guoen, Dr. Chen Ping, Mr. Gu Alex Yushao and Ms. Wendy Hayes, has been established by the Board to make a recommendation (i) to the Disinterested Shareholders as to whether the Proposal, the Scheme and the Rollover Arrangements are, or are not, fair and reasonable and as to voting at the Court Meeting and the extraordinary general meeting of the Company and (ii) to the Optionholders as to whether the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all the non-executive Directors who have no direct or indirect interest in the Proposal other than

SFC 1<sup>st</sup>  
Q7

SFC 1<sup>st</sup>  
Q8

as a Shareholder. As Mr. Li ultimately controls the Offeror, Dr. Vasella is a Director nominated by GL Capital and Ms. Lin is currently a partner of the private equity investment department of GL Capital, each of Mr. Li, Dr. Vasella and Ms. Lin are concert parties of the Offeror. As such, each of Mr. Li, Dr. Vasella and Ms. Lin do not form part of the Independent Board Committee.

### **INDEPENDENT FINANCIAL ADVISER**

The Board, with the approval of the Independent Board Committee, has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme, the Option Offer and the Rollover Arrangements pursuant to Rule 2.1 of the Takeovers Code.

SFC 1<sup>st</sup>  
Q9

### **WITHDRAWAL OF LISTING OF SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and any share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules immediately following the Scheme becoming effective.

### **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

### **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among others: (i) further details of the Proposal, the Scheme, the Option Offer and the Rollover Arrangements; (ii) the expected timetable in relation to the Proposal, the Scheme and the Option Offer; (iii) an explanatory memorandum as required under the Companies Act and the rules of the Grand Court; (iv) information regarding the Company; (v) recommendations from the Independent Board Committee with respect to the Proposal, the Scheme, the Option Offer and the Rollover Arrangements, and the letter of advice from the Independent Financial Adviser; and (vi) a notice of the Court Meeting and a notice of an extraordinary general meeting of the Company, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other applicable laws and regulations.

### **TRADING HALT AND RESUMPTION**



At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:07 a.m. on 19 March 2024 pending the release of this announcement.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from [●] on [●] 2024.

**WARNINGS:**

**Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer is subject to the Conditions being fulfilled or waived (including the approval of the Rollover Arrangements as a special deal under Rule 25 of the Takeovers Code), as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

*This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.*

SFC 1<sup>st</sup>  
Q10, Q11

*The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

**NOTICE TO US INVESTORS**

*The Proposal is being made to cancel the securities of a company incorporated in the Cayman Islands by means of a scheme of arrangement provided for under the laws of the Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the United States.*

*A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.*

*The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his Scheme Shares pursuant to the Scheme or by an Optionholder as*

*consideration for the cancellation of his Share Options may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares or Optionholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him.*

*It may be difficult for US holders of Scheme Shares and Optionholders to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares or Optionholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

## INTRODUCTION

On 19 March 2024, the Offeror requested the Board to put forward the Proposal to the holders of Scheme Shares for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the effective date of the Scheme, be cancelled and extinguished. Contemporaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

The Rollover Shares will not form part of the Scheme Shares and will not be cancelled. Following the Scheme becoming effective, pursuant to the Rollover Agreements, the Rollover Shares will be transferred to the Offeror in consideration for an aggregate of 209,084,863 shares to be issued by Topco (which wholly owns the Offeror) to the Rollover Shareholders credited as fully paid at the Cancellation Price.

SFC 1<sup>st</sup>  
Q2

Upon the completion of the Scheme and the transfers of the Rollover Shares pursuant to the Rollover Agreements, the Company will become wholly-owned by the Offeror.

## TERMS OF THE PROPOSAL

### The Scheme

The Scheme will provide that the Scheme Shares will be cancelled in exchange for HK\$18.8 in cash for each Scheme Share. Under the Scheme, the total consideration payable for cancellation of the Scheme Shares will be paid by the Offeror.

R3.5(a)

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced (and the price of the Option Offer shall be reduced accordingly). The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). As at the Announcement Date, the Company has no declared but unpaid dividends and/or other distribution and/or other return of capital.

SFC 1<sup>st</sup>  
Q3

**The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

## Comparison of Value

The Cancellation Price of HK\$18.8 represents:

- a premium of approximately 33.90% over the closing price of HK\$14.04 per Share as quoted on the Stock Exchange on the Undisturbed Date;
- a premium of approximately 36.03% over the average closing price of approximately HK\$13.82 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Undisturbed Date;
- a premium of approximately 47.47% over the average closing price of approximately HK\$12.75 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- a premium of approximately 47.93% over the average closing price of approximately HK\$12.71 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date;
- a premium of approximately 58.06% over the average closing price of approximately HK\$11.89 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Undisturbed Date;
- a premium of approximately 67.06% over the average closing price of approximately HK\$11.25 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Date;
- a premium of approximately 17.21% over the closing price of HK\$16.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 30.81% over the average closing price of approximately HK\$14.37 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 45.72% over the average closing price of approximately HK\$12.90 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 47.61% over the average closing price of approximately HK\$12.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 57.34% over the average closing price of approximately HK\$11.95 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 66.60% over the average closing price of approximately HK\$11.28 per Share based on the daily closing prices as quoted on the Stock Exchange for

the 180 trading days up to and including the Last Trading Day; and

- a premium of approximately 227.50% to the Group's net asset value attributable to the Shareholders of approximately HK\$5.74 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2023, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB3,265,067,000 (based on the exchange rate of HK\$1: RMB0.90622, the central parity rate published by the People's Bank of China on its website as at 29 December 2023 for illustrative purposes) as at 31 December 2023 and the Shares in issue as at the Announcement Date.

The trading volume on the Last Trading Day was 9,741,510 Shares. The average daily trading volume over the Undisturbed Period was 2,034,657 Shares. The share price of the Company traded up by 14.25% on the Last Trading Day. In contrast, the Hang Seng Index traded up by 0.10% on the Last Trading Day. SFC 2<sup>nd</sup>  
Q3

The Cancellation Price has been determined on an arm's length commercial basis after taking into account the prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

### **Highest and Lowest Prices**

During the six-month period immediately up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$16.04 on 18 March 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$8.91 on 4 October 2023.

During the twelve-month period immediately up to and including the Undisturbed Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$14.86 on 15 December 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$8.91 on 4 October 2023.

### **Option Offer**

As at the Announcement Date, there are (a) 37,023,842 Share Options (all of which are vested) granted under the Option Incentive Plan, comprising (i) 20,412,842 Share Options entitling the holders to subscribe for 20,412,842 new Shares and (ii) 16,611,000 Share Options entitling the holders to receive 16,611,000 existing Shares from the Option Trustee; and (b) 34,008,170 Share Options (8,446,020 of which are vested) granted under the Post-IPO Option Plan entitling the holders to subscribe for 34,008,170 new Shares. The Company will not grant any further Share Options under the Option Incentive Plan or the Post-IPO Option Plan before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). SFC 1<sup>st</sup>  
Q12

The exercise of all the Subject Share Options in full would result in the issue of 54,421,012 new Shares, representing approximately 8.67% of the issued share capital of the Company as at the Announcement Date and approximately 7.98% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the Optionholders to cancel every vested and unvested Subject Share Option in accordance with

Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer the Optionholders the “see-through” price (being the Cancellation Price minus the relevant exercise price in case of the Subject Share Options) for each Subject Share Option they hold for the cancellation of every Subject Share Option in accordance with Rule 13 of the Takeovers Code.

| <b>Exercise price per Subject Share Option</b> | <b>“See-through” price</b> | <b>Number of Subject Share Option</b> |
|------------------------------------------------|----------------------------|---------------------------------------|
| <i>(HK\$)</i>                                  | <i>(HK\$)</i>              |                                       |
| <b>Option Incentive Plan</b>                   |                            |                                       |
| 1.6562                                         | 17.1438                    | 20,412,842                            |
| <b>Post-IPO Option Plan</b>                    |                            |                                       |
| 6.33                                           | 12.47                      | 97,680                                |
| 6.832                                          | 11.968                     | 204,930                               |
| 7.892                                          | 10.908                     | 13,990,400                            |
| 8.40                                           | 10.40                      | 40,000                                |
| 8.48                                           | 10.32                      | 369,000                               |
| 9.29                                           | 9.51                       | 44,000                                |
| 10.18                                          | 8.62                       | 2,066,560                             |
| 10.434                                         | 8.366                      | 16,801,300                            |
| 13.40                                          | 5.40                       | 394,300                               |
| <b>Total</b>                                   |                            | <b>54,421,012</b>                     |

As at the Announcement Date, save as disclosed in the section headed “Shareholding Structure of the Company”, the Offeror and the Offeror Concert Parties do not hold any Share Options.

Further information on the Option Offer will be set out in a letter to the Optionholders, which will be despatched at or around the same time as the despatch of the Scheme Document.

If the Optionholders exercise any of the Subject Share Options in accordance with the terms of the Option Incentive Plan and the Post-IPO Option Plan (as applicable) and become Shareholders on or before the Record Date, any Shares so issued will be subject to and eligible to participate in the Scheme.

In accordance with the terms of the Option Incentive Plan, the Post-IPO Option Plan and the Board Resolutions, if a general offer by way of a scheme of arrangement is made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and has been approved by the necessary number of Shareholders at the requisite meetings, the optionholders shall be entitled to exercise the Share Options thereafter (up to the date as set out in the Scheme

SFC 1<sup>st</sup>  
Q13

Document) by notice in writing to the Company. To the extent that the Share Options have not been so exercised, the right to exercise the Share Options shall terminate on the Record Date and such Optionholders will only be entitled to the Option Offer. Any unexercised Share Option which are not tendered for acceptance under the Option Offer will automatically lapse (other than the right to receive payment of the “see-through” price from the Option Trustee) upon the Scheme becoming effective.

SFC 1<sup>st</sup>  
Q14

**Any Share Options granted under the Option Incentive Plan or the Post-IPO Option Plan that are not exercised or (if applicable) cancelled pursuant to the acceptance of the Option Offer (other than, in respect of Share Options granted under the Option Incentive Plan, the right to receive payment of the “see-through” price from the Option Trustee) will automatically lapse upon the Scheme becoming effective.**

No Option Offer will be made to the 16,611,000 Share Options granted under the Option Incentive Plan as an equivalent number of Shares were already issued to the Option Trustee. The Option Trustee Held Shares (being the 16,611,000 Shares held by the Option Trustee) shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Conditional upon the Scheme becoming effective, the Offeror shall pay the aggregate Cancellation Price for the Option Trustee Held Shares to the Option Trustee, which will then pay the “see-through” price (being the Cancellation Price minus the relevant exercise price in case of the Share Options) to the holders of the Share Options.

### **Total Consideration and Financial Resources**

Taking into account that the Rollover Shares will not constitute Scheme Shares, and on the assumption that (a) all Subject Share Options (apart from the Subject Share Options which are held by Mr. Zhao and Ms. Pan) as at the Record Date are exercised and all the Optionholders of such Subject Share Options become holders of Scheme Shares on or before the Record Date, (b) Mr. Zhao and Ms. Pan will not exercise any Subject Share Options held by them in accordance with the Irrevocable Undertaking and will only be entitled to the “see-through” price under the Option Offer, and (c) there is no other change in the issued share capital of the Company and no Share Options will be granted by the Company on or before the Record Date, the Proposal will involve the cancellation of 449,724,099 Scheme Shares, in exchange for the Cancellation Price of HK\$18.8 per Scheme Share in cash and the cancellation of the Subject Share Options held by Mr. Zhao and Ms. Pan at the “see-through” price per Subject Share Option in cash as set out in the paragraph headed “Option Offer”. Therefore, the maximum amount of cash consideration payable under the Proposal would be approximately HK\$8,788,907,640.30.

The Offeror intends to finance the cash requirement for the Proposal through a binding equity commitment letter from the GL Canadian Fund and the GL Cayman Fund and external debt financing. In addition, the GL Canadian Fund and the GL Cayman Fund have a general fund credit facility and have set aside additional internal cash resources to support their equity commitment to the Offeror.

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[CICC, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its payment obligations in respect of the cash consideration payable under the Proposal].

R3.5

### **CONDITIONS OF THE PROPOSAL**



The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions: R3.5(e)

- (a) the approval of the Scheme (by way of poll) by the holders of Scheme Shares, representing not less than 75% in value of the Scheme Shares held by the holders of Scheme Shares present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Disinterested Shareholders;
- (c) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at an extraordinary general meeting of the Company to (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith maintain the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of any reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company;
- (f) (i) the receipt of an opinion from the Independent Financial Adviser confirming that the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangements; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangements;
- (g) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

- (h) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (i) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (j) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme; and
- (k) since the Announcement Date, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme).

The Offeror reserves the right to waive conditions (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a) to (f) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of Conditions (g) and (h), as at the Announcement Date, other than those set out in Conditions (a) to (f) (inclusive), the Offeror is not aware of any necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required for the Proposal. As at the Announcement Date, the Offeror is not aware of any circumstances which may result in Conditions (i), (j) and (k) not being satisfied.

**Warning: Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer is subject to the Conditions being**

fulfilled or waived (including the approval of the Rollover Arrangements as a special deal under Rule 25 of the Takeovers Code), as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the authorised share capital of the Company is US\$50,000 divided into 1,000,000,000 Shares, and the Company has 627,646,692 Shares in issue. Save for the 627,646,692 Shares in issue and the 71,032,012 Share Options (amongst which 54,421,012 Share Options are Subject Share Options entitling the holders to subscribe for 54,421,012 new Shares), the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

As at the Announcement Date, the Offeror does not hold any Shares and the Offeror Concert Parties hold in aggregate 229,750,880 Shares, representing approximately 36.61% of the issued share capital of the Company. As at the Announcement Date, the Scheme Shares, comprising 418,561,829 Shares, represent approximately 66.69% of the issued share capital of the Company. R3.5(c)(i) & (ii)

The table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal and the transfers of the Rollover Shares pursuant to the Rollover Agreements, assuming that no Subject Share Options are exercised before the Record Date and there is no other change in shareholding of the Company before completion of the Proposal:

| Shareholder                  | As at the Announcement Date |                                                    | Immediately upon completion of the Proposal and transfers of the Rollover Shares |                                                    |
|------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------|
|                              | <i>Number of Shares</i>     | <i>Approximate % of total issued share capital</i> | <i>Number of Shares (Note 9)</i>                                                 | <i>Approximate % of total issued share capital</i> |
| Offeror                      | -                           | -                                                  | 627,646,692                                                                      | 100.00                                             |
| <b>Offeror Concert Party</b> |                             |                                                    |                                                                                  |                                                    |
| GL Trade (Note 1)            | 133,318,370                 | 21.24                                              | -                                                                                | -                                                  |
| GL Glee (Note 2)             | 61,785,690                  | 9.84                                               | -                                                                                | -                                                  |
| Mr. Zhao (Note 3)            | 500,000                     | 0.08                                               | -                                                                                | -                                                  |
| Convergence (Note 3)         | 11,979,690                  | 1.91                                               | -                                                                                | -                                                  |
| Ms. Pan (Note 4)             | 45,667                      | 0.01                                               | -                                                                                | -                                                  |
| RSU Trustee (Note 5)         | 5,510,463                   | 0.88                                               | -                                                                                | -                                                  |

|                                                                                           |                              |                         |                    |                         |
|-------------------------------------------------------------------------------------------|------------------------------|-------------------------|--------------------|-------------------------|
| Option Trustee (Note 6)                                                                   | 16,611,000                   | 2.65                    | -                  | -                       |
| <b>Aggregate number of Shares of the Offeror and the Offeror Concert Parties (Note 7)</b> | <b>229,750,880</b>           | <b>36.61</b>            | <b>627,646,692</b> | <b>100.00 (Note 10)</b> |
| <b>Disinterested Shareholders</b>                                                         |                              |                         |                    |                         |
| Ocean Falcon Limited (Note 8)                                                             | 47,426,727                   | 7.56                    | -                  | -                       |
| Other Disinterested Shareholders                                                          | 350,469,085                  | 55.84                   | -                  | -                       |
| <b>Aggregate number of Shares of the Disinterested Shareholders</b>                       | <b>397,895,812</b>           | <b>63.39</b>            | <b>-</b>           | <b>-</b>                |
| <b>Total number of Shares in issue</b>                                                    | <b>627,646,692</b>           | <b>100.00 (Note 11)</b> | <b>627,646,692</b> | <b>100.00</b>           |
| <b>Total number of Scheme Shares</b>                                                      | <b>418,561,829 (Note 10)</b> | <b>66.69</b>            | <b>-</b>           | <b>-</b>                |

Notes:

- GL Trade holds 133,318,370 Shares through a member of the CICC group which is an exempt principal trader acting as a custodian on a non-discretionary basis (including 28,350,000 Shares which are held by GL Trade as a nominee for GL China, whose general partner is GL China Opportunities Carry GP Ltd). GL Trade is an exempted limited partnership registered in Canada, whose general partner is GL Capital Management GP II B.C. 1 Ltd., a company incorporated in Canada which is wholly owned by GL Capital Management Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. Lion River I N.V. is a company incorporated in Netherlands and is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange. GL Partners Capital Management Limited is a limited liability company incorporated in the Cayman Islands and is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is a limited liability company incorporated in the Cayman Islands and is wholly owned by Mr. Li. As such, each of GL Capital Management GP II B.C. 1 Ltd., GL Capital Management Limited, GL Partners Capital Management Limited, GL China Opportunities Carry GP Ltd, Lion River I N.V., Assicurazioni Generali S.p.A and Mr. Li is deemed to be interested in Shares held by GL Trade. The Shares held by GL Trade will not form part of the Scheme Shares and GL Trade will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company.
- GL Glee holds 61,785,690 Shares through a member of the CICC group which is an exempt principal trader acting as a custodian on a non-discretionary basis. GL Glee is a limited liability company incorporated in the Cayman Islands and is wholly owned by GL China Opportunities Fund L.P., a limited partnership registered in Cayman Islands whose general partner is GL Capital Management GP L.P., a limited partnership registered in Cayman Islands, whose general partner is GL Capital Management GP Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. Lion River I N.V. is a company incorporated in Netherlands and is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange. GL Partners Capital Management Limited is a limited liability company incorporated in the Cayman Islands and is controlled

SFC 1<sup>st</sup>  
Q18

by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is a limited liability company incorporated in the Cayman Islands and is wholly owned by Mr. Li. As such, each of GL China Opportunities Fund L.P., GL Capital Management GP L.P., GL Capital Management GP Limited, GL Partners Capital Management Limited, GL China Opportunities Carry GP Ltd, Lion River I N.V., Assicurazioni Generali S.p.A and Mr. Li is deemed to be interested in Shares held by GL Glee. The Shares held by GL Glee will not form part of the Scheme Shares and GL Glee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company.

3. Convergence holds 11,979,690 Shares. Convergence is wholly owned by Beijing Convergence Management Consulting Partnership Enterprise (Limited Partnership) (北京諾盛衡康管理諮詢合夥企業 (有限合夥)), which is in turn owned by its general partner, Juli Information Consulting (Beijing) Co., Ltd. (炬力信息諮詢 (北京) 有限公司), as to 0.000003957%, and its limited partner, Zhoushan Kangnuo Equity Investment Partnership Enterprise (Limited Partnership) (舟山康諾股權投資合夥企業 (有限合夥)), as to 99.999996043%. Mr. Zhao is interested in 32.44% equity interests in Juli Information Consulting (Beijing) Co., Ltd. (炬力信息諮詢 (北京) 有限公司) and 40.96% partnership interests in Zhoushan Kangnuo Equity Investment Partnership Enterprise (Limited Partnership) (舟山康諾股權投資合夥企業 (有限合夥)). In addition, Mr. Zhao personally owns 500,000 Shares, among which 200,000 Shares are held through a member of the CICC group which is an exempt principal trader acting as a custodian on a non-discretionary basis. Mr. Zhao also holds 11,198,742 Share Options, 7,900,000 Share Options, and 900,000 RSUs granted to him under the Option Incentive Plan, the Post-IPO Option Plan and the Post-IPO RSU Plan, respectively. Mr. Zhao is presumed to be acting in concert with the Offeror under class (6) of the definition of “acting in concert” under the Takeovers Code. The Shares held by Convergence will not form part of the Scheme Shares, but the Shares held by Mr. Zhao personally will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. Mr. Zhao and Convergence will not be able to vote on the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of Mr. Zhao and Convergence will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.
4. There are 45,667 Shares personally owned by Ms. Pan. Ms. Pan also holds 3,470,000 Share Options, 690,000 Share Options, and 172,500 RSUs granted to her under the Option Incentive Plan, the Post-IPO Option Plan and the Post-IPO RSU Plan, respectively. Ms. Pan is acting in concert with the Offeror due to her involvement in the discussions relating to the Proposal. The Shares held by Ms. Pan will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. Ms. Pan will not be able to vote on the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of Ms. Pan will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.
5. As at the Announcement Date, the RSU Trustee holds 5,510,463 Shares, amongst which 3,509,350 Shares are to be used to satisfy the share awards granted to directors and employees of the Group and the remaining 2,001,113 Shares are to be used to satisfy future grants of share awards. Further details are set out in the section headed “Share Awards” below. Under the terms of the Post-IPO RSU Plan, the RSU Trustee shall not exercise any voting rights in respect of any Shares held under the Post-IPO RSU Plan. The RSU Trustee Rollover Shares (being the 2,001,113 Shares held by the RSU Trustee) will not form part of the Scheme Shares, but the RSU Trustee Scheme Shares (being the 3,509,350 Shares held by the RSU Trustee) will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. As a Rollover Shareholder and pursuant to the terms of the Post-IPO RSU Plan, the RSU Trustee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of the RSU Trustee will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.
6. As at the Announcement Date, the Option Trustee holds 16,611,000 Shares to be transferred to the holders upon exercise of the Share Options granted under the Option Incentive Plan. Further details are set out in the section headed “Share Options”. Each of the Option Trustee and the RSU Trustee is wholly

owned by Maples Trustee, in each case acting solely in its capacity as trustee of the SciClone Trust and holds Shares upon the terms of the SciClone Trust. Under the terms of the Option Incentive Plan, the Share Options granted under the Option Incentive Plan shall have no right to vote until and unless the Share Options are exercised. The Option Trustee Held Shares will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Pursuant to the terms of the Option Incentive Plan, the Option Trustee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of the Option Trustee will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.

7. CICC is the financial adviser to the Offeror in connection with the Proposal. Accordingly, CICC and relevant members of the CICC group which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Exempt principal traders and exempt fund managers which are connected for the sole reason that they are under the same control as CICC are not presumed to be acting in concert with the Offeror. However:
- a. Shares held by members of the CICC group acting in the capacity of exempt principal traders will not be voted at the Court Meeting and the extraordinary general meeting of the Company unless the Executive allows such Shares to be so voted; and
  - b. Shares held by members of the CICC group acting in the capacity of exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the extraordinary general meeting of the Company if: (i) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and (iv) such non-discretionary client is not a concert party of the Offeror.

Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by other members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of the CICC group), if any, will be obtained as soon as possible after the Announcement Date in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Offeror and the Company if the holdings, borrowings, lendings, or dealings of the other members of the CICC group are significant and in any event, such information will be disclosed in the Scheme Document. The statements in this announcement as to the holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of other members of the CICC group. Any dealings in the relevant securities of the Company by the CICC group (excluding dealings by the CICC group members who are exempt principal traders or exempt fund managers or dealings by the CICC group members for the account of non-discretionary investment clients of the CICC group) during the six months prior to the Announcement Date and the commencement of the offer period (as defined under the Takeovers Code) to the latest practicable date prior to the despatch of the Scheme Document will be disclosed in the Scheme Document and pursuant to Rule 22 of the Takeovers Code.

SFC 1<sup>st</sup>  
Q19

8. Ocean Falcon Limited is a limited company incorporated in Hong Kong and is wholly owned by Bank of China Group Investment Limited, a limited company incorporated in Hong Kong which in turn is wholly owned by Bank of China Limited, a joint stock company established in the PRC with limited liability which in turn is held by Central Huijin Investment Ltd. as to 64.02%, a limited liability company established in the PRC which in turn is wholly owned by China Investment Corporation, a limited

SFC 1<sup>st</sup>  
Q16

liability company which is wholly owned by the State Council of the PRC. As such, each of Bank of China Group Investment Limited, Bank of China Limited, Central Huijin Investment Ltd., China Investment Corporation, and State Council of the PRC is deemed to be interested in our Shares held by Ocean Falcon Limited. Whether Ocean Falcon Limited is a Disinterested Shareholder is subject to consultation with the Executive.

9. On the assumption that there is no other change in the shareholding of the Company before completion of the Proposal. Under the Scheme, the Scheme Shares will be cancelled and extinguished, and contemporaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so issued to the Offeror.
10. Scheme Shares are the Shares held by the Shareholders, other than the Rollover Shares.
11. Numbers may not add up to 100% due to rounding.
12. Other than Mr. Zhao and Ms. Pan, no other Directors hold any Shares.

SFC 1<sup>st</sup>  
Q17

## Share Options

As at the Announcement Date, there are (a) 37,023,842 Share Options (all of which are vested) granted under the Option Incentive Plan, comprising (i) 20,412,842 Share Options entitling the holders to subscribe for 20,412,842 new Shares and (ii) 16,611,000 Share Options entitling the holders to receive 16,611,000 existing Shares from the Option Trustee; and (b) 34,008,170 Share Options (8,446,020 of which are vested) granted under the Post-IPO Option Plan entitling the holders to subscribe for 34,008,170 new Shares. The Company will not grant any further Share Options under the Option Incentive Plan or the Post-IPO Option Plan before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier).

SFC 1<sup>st</sup>  
Q20

The exercise of all the Subject Share Options in full would result in the issue of 54,421,012 new Shares, representing approximately 8.67% of the issued share capital of the Company as at the Announcement Date and approximately 7.98% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the Optionholders to cancel every vested and unvested Subject Share Option in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective.

No Option Offer will be made to the 16,611,000 Share Options granted under the Option Incentive Plan as an equivalent number of Shares were already issued to the Option Trustee. The Option Trustee Held Shares (being the 16,611,000 Shares held by the Option Trustee) shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Conditional upon the Scheme becoming effective, the Offeror shall pay the aggregate Cancellation Price for the Option Trustee Held Shares to the Option Trustee, which will then pay the "see-through" price (being the Cancellation Price minus the relevant exercise price in case of the Share Options) to the holders of the Share Options.

Further information on the Option Offer will be set out in a letter to the Optionholders, which will be despatched at or around the same time as the despatch of the Scheme Document.

The table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal and the transfers of the Rollover Shares pursuant to the Rollover Agreements, assuming that all Subject Share Options are exercised (apart from the Subject Share Options which are held by Mr. Zhao and Ms. Pan who will not exercise any Subject Share Options held by them pursuant to the Irrevocable Undertaking) before the Announcement Date and there is no other change in shareholding of the Company before completion of the Proposal:

| Shareholder                                                                               | As at the Announcement Date |                                                    | Immediately upon completion of the Proposal and transfers of the Rollover Shares |                                                    |
|-------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------|
|                                                                                           | <i>Number of Shares</i>     | <i>Approximate % of total issued share capital</i> | <i>Number of Shares (Note 9)</i>                                                 | <i>Approximate % of total issued share capital</i> |
| Offeror                                                                                   | -                           | -                                                  | 658,808,962                                                                      | 100.00                                             |
| <b>Offeror Concert Party</b>                                                              |                             |                                                    |                                                                                  |                                                    |
| GL Trade (Note 1)                                                                         | 133,318,370                 | 20.24                                              | -                                                                                | -                                                  |
| GL Glee (Note 2)                                                                          | 61,785,690                  | 9.38                                               | -                                                                                | -                                                  |
| Mr. Zhao (Note 3)                                                                         | 500,000                     | 0.08                                               | -                                                                                | -                                                  |
| Convergence (Note 3)                                                                      | 11,979,690                  | 1.82                                               | -                                                                                | -                                                  |
| Ms. Pan (Note 4)                                                                          | 45,667                      | 0.01                                               | -                                                                                | -                                                  |
| RSU Trustee (Note 5)                                                                      | 5,510,463                   | 0.84                                               | -                                                                                | -                                                  |
| Option Trustee (Note 6)                                                                   | 16,611,000                  | 2.52                                               | -                                                                                | -                                                  |
| <b>Aggregate number of Shares of the Offeror and the Offeror Concert Parties (Note 7)</b> | <b>229,750,880</b>          | <b>34.87</b>                                       | <b>658,808,962</b>                                                               | <b>100.00 (Note 10)</b>                            |
| <b>Disinterested Shareholders</b>                                                         |                             |                                                    |                                                                                  |                                                    |
| Ocean Falcon Limited (Note 8)                                                             | 47,426,727                  | 7.20                                               | -                                                                                | -                                                  |
| Other Disinterested Shareholders                                                          | 381,631,355                 | 57.93                                              | -                                                                                | -                                                  |
| <b>Aggregate number of Shares of the Disinterested Shareholders</b>                       | <b>429,058,082</b>          | <b>65.13</b>                                       | <b>-</b>                                                                         | <b>-</b>                                           |
| <b>Total number of Shares in issue</b>                                                    | <b>658,808,962</b>          | <b>100.00 (Note 11)</b>                            | <b>658,808,962</b>                                                               | <b>100.00</b>                                      |



|                                      |                              |              |   |   |
|--------------------------------------|------------------------------|--------------|---|---|
| <b>Total number of Scheme Shares</b> | <b>449,724,099</b> (Note 10) | <b>68.26</b> | - | - |
|--------------------------------------|------------------------------|--------------|---|---|

*Notes:*

- GL Trade holds 133,318,370 Shares through a member of the CICC group which is an exempt principal trader acting as a custodian on a non-discretionary basis (including 28,350,000 Shares which are held by GL Trade as a nominee for GL China, whose general partner is GL China Opportunities Carry GP Ltd). GL Trade is an exempted limited partnership registered in Canada, whose general partner is GL Capital Management GP II B.C. 1 Ltd., a company incorporated in Canada which is wholly owned by GL Capital Management Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. Lion River I N.V. is a company incorporated in Netherlands and is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange. GL Partners Capital Management Limited is a limited liability company incorporated in the Cayman Islands and is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is a limited liability company incorporated in the Cayman Islands and is wholly owned by Mr. Li. As such, each of GL Capital Management GP II B.C. 1 Ltd., GL Capital Management Limited, GL Partners Capital Management Limited, GL China Opportunities Carry GP Ltd, Lion River I N.V., Assicurazioni Generali S.p.A and Mr. Li is deemed to be interested in Shares held by GL Trade. The Shares held by GL Trade will not form part of the Scheme Shares and GL Trade will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company.
- GL Glee holds 61,785,690 Shares through a member of the CICC group which is an exempt principal trader acting as a custodian on a non-discretionary basis. GL Glee is a limited liability company incorporated in the Cayman Islands and is wholly owned by GL China Opportunities Fund L.P., a limited partnership registered in Cayman Islands whose general partner is GL Capital Management GP L.P., a limited partnership registered in Cayman Islands, whose general partner is GL Capital Management GP Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. Lion River I N.V. is a company incorporated in Netherlands and is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange. GL Partners Capital Management Limited is a limited liability company incorporated in the Cayman Islands and is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is a limited liability company incorporated in the Cayman Islands and is wholly owned by Mr. Li. As such, each of GL China Opportunities Fund L.P., GL Capital Management GP L.P., GL Capital Management GP Limited, GL Partners Capital Management Limited, GL China Opportunities Carry GP Ltd, Lion River I N.V., Assicurazioni Generali S.p.A and Mr. Li is deemed to be interested in Shares held by GL Glee. The Shares held by GL Glee will not form part of the Scheme Shares and GL Glee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company.
- Convergence holds 11,979,690 Shares. Convergence is wholly owned by Beijing Convergence Management Consulting Partnership Enterprise (Limited Partnership) (北京諾盛衡康管理諮詢合夥企業(有限合夥)), which is in turn owned by its general partner, Juli Information Consulting (Beijing) Co., Ltd. (炬力信息諮詢(北京)有限公司), as to 0.00003957%, and its limited partner, Zhoushan Kangnuo Equity Investment Partnership Enterprise (Limited Partnership) (舟山康諾股權投資合夥企業(有限合夥)), as to 99.99996043%. Mr. Zhao is interested in 32.44% equity interests in Juli Information Consulting (Beijing) Co., Ltd. (炬力信息諮詢(北京)有限公司) and 40.96% partnership interests in Zhoushan Kangnuo Equity Investment Partnership Enterprise (Limited Partnership) (舟山康諾股權投資合夥企業(有限合夥)). In addition, Mr. Zhao personally owns 500,000 Shares, among which 200,000 Shares are held through a member of the CICC group which is an exempt principal trader acting as a custodian on a non-discretionary basis. Mr. Zhao also holds 11,198,742 Share Options, 7,900,000 Share Options, and 900,000 RSUs granted to him under the Option Incentive Plan, the Post-IPO Option Plan and the Post-IPO RSU Plan, respectively. Mr. Zhao is presumed to be acting in concert with the Offeror under class (6) of the definition of “acting in concert” under the Takeovers Code. The Shares held by Convergence will not form part of the Scheme Shares, but the Shares held by Mr. Zhao personally will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. Mr. Zhao and Convergence will not be able to vote on the Rollover Arrangements at the

SFC 1<sup>st</sup>  
Q18

extraordinary general meeting of the Company, and the vote of Mr. Zhao and Convergence will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.

4. There are 45,667 Shares personally owned by Ms. Pan. Ms. Pan also holds 3,470,000 Share Options, 690,000 Share Options, and 172,500 RSUs granted to her under the Option Incentive Plan, the Post-IPO Option Plan and the Post-IPO RSU Plan, respectively. Ms. Pan is acting in concert with the Offeror due to her involvement in the discussions relating to the Proposal. The Shares held by Ms. Pan will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. Ms. Pan will not be able to vote on the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of Ms. Pan will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.
5. As at the Announcement Date, the RSU Trustee holds 5,510,463 Shares, amongst which 3,509,350 Shares are to be used to satisfy the share awards granted to directors and employees of the Group and the remaining 2,001,113 Shares are to be used to satisfy future grants of share awards. Further details are set out in the section headed “Share Awards” below. Under the terms of the Post-IPO RSU Plan, the RSU Trustee shall not exercise any voting rights in respect of any Shares held under the Post-IPO RSU Plan. The RSU Trustee Rollover Shares (being the 2,001,113 Shares held by the RSU Trustee) will not form part of the Scheme Shares, but the RSU Trustee Scheme Shares (being the 3,509,350 Shares held by the RSU Trustee) will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. As a Rollover Shareholder and pursuant to the terms of the Post-IPO RSU Plan, the RSU Trustee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of the RSU Trustee will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.
6. As at the Announcement Date, the Option Trustee holds 16,611,000 Shares to be transferred to the holders upon exercise of the Share Options granted under the Option Incentive Plan. Further details are set out in the section headed “Share Options”. Each of the Option Trustee and the RSU Trustee is wholly owned by Maples Trustee, in each case acting solely in its capacity as trustee of the SciClone Trust and holds Shares upon the terms of the SciClone Trust. Under the terms of the Option Incentive Plan, the Share Options granted under the Option Incentive Plan shall have no right to vote until and unless the Share Options are exercised. The Option Trustee Held Shares will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Pursuant to the terms of the Option Incentive Plan, the Option Trustee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company, and the vote of the Option Trustee will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.
7. CICC is the financial adviser to the Offeror in connection with the Proposal. Accordingly, CICC and relevant members of the CICC group which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Exempt principal traders and exempt fund managers which are connected for the sole reason that they are under the same control as CICC are not presumed to be acting in concert with the Offeror. However:
  - a. Shares held by members of the CICC group acting in the capacity of exempt principal traders will not be voted at the Court Meeting and the extraordinary general meeting of the Company unless the Executive allows such Shares to be so voted; and
  - b. Shares held by members of the CICC group acting in the capacity of exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the

extraordinary general meeting of the Company if: (i) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and (iv) such non-discretionary client is not a concert party of the Offeror.

Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by other members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of the CICC group), if any, will be obtained as soon as possible after the Announcement Date in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Offeror and the Company if the holdings, borrowings, lendings, or dealings of the other members of the CICC group are significant and in any event, such information will be disclosed in the Scheme Document. The statements in this announcement as to the holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of other members of the CICC group. Any dealings in the relevant securities of the Company by the CICC group (excluding dealings by the CICC group members who are exempt principal traders or exempt fund managers or dealings by the CICC group members for the account of non-discretionary investment clients of the CICC group) during the six months prior to the Announcement Date and the commencement of the offer period (as defined under the Takeovers Code) to the latest practicable date prior to the despatch of the Scheme Document will be disclosed in the Scheme Document and pursuant to Rule 22 of the Takeovers Code.

SFC 1<sup>st</sup>  
Q21

8. Ocean Falcon Limited is a limited company incorporated in Hong Kong and is wholly owned by Bank of China Group Investment Limited, a limited company incorporated in Hong Kong which in turn is wholly owned by Bank of China Limited, a joint stock company established in the PRC with limited liability which in turn is held by Central Huijin Investment Ltd. as to 64.02%, a limited liability company established in the PRC which in turn is wholly owned by China Investment Corporation, a limited liability company which is wholly owned by the State Council of the PRC. As such, each of Bank of China Group Investment Limited, Bank of China Limited, Central Huijin Investment Ltd., China Investment Corporation, and State Council of the PRC is deemed to be interested in our Shares held by Ocean Falcon Limited. Whether Ocean Falcon Limited is a Disinterested Shareholder is subject to consultation with the Executive.
9. On the assumption that there is no other change in the shareholding of the Company before completion of the Proposal. Under the Scheme, the Scheme Shares will be cancelled and extinguished, and contemporaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so issued to the Offeror.
10. Scheme Shares are the Shares held by the Shareholders, other than the Rollover Shares.
11. Numbers may not add up to 100% due to rounding.
12. Other than Mr. Zhao and Ms. Pan, no other Directors hold any Shares.

SFC 1<sup>st</sup>  
Q16

SFC 1<sup>st</sup>  
Q17

## Share Awards

As at the Announcement Date, the RSU Trustee holds 5,510,463 Shares, amongst which 3,509,350 Shares (representing approximately 0.56% of the issued share capital of the Company as at the Announcement Date) are to be used to satisfy the share awards granted to directors and employees of the Group and the remaining 2,001,113 Shares (representing

approximately 0.32% of the issued share capital of the Company as at the Announcement Date) are to be used to satisfy future grants of share awards.

In accordance with the terms of the Post-IPO RSU Plan, if a general offer by way of scheme arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith give notice to the holders of RSUs and the holders of RSUs shall be entitled to receive the Shares in respect of the vested and unvested RSUs within any period specified in the notification. Under the terms of the Post-IPO RSU Plan, the RSU Trustee shall not exercise any voting rights in respect of any Shares held under the Post-IPO RSU Plan.

The RSU Trustee Rollover Shares (being the 2,001,113 Shares held by the RSU Trustee) will not form part of the Scheme Shares, but the RSU Trustee Scheme Shares (being the 3,509,350 Shares held by the RSU Trustee) shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. Conditional upon the Scheme becoming effective, the Offeror shall pay the aggregate Cancellation Price for the RSU Trustee Scheme Shares to the RSU Trustee, which will then pay such amount to the holders of the RSUs.

Pursuant to the terms of the Post-IPO RSU Plan, the RSU Trustee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the extraordinary general meeting of the Company.

During the offer period, the RSU Trustee will not further acquire Shares on market, and the Company does not intend to grant any further RSUs.

## **SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENTS**

The Offeror proposes that (i) the RSU Trustee will roll over the RSU Trustee Rollover Shares (being 2,001,113 Shares, representing approximately 0.32% of the issued share capital of the Company as at the Announcement Date) and (ii) Convergence will roll over the Shares held by it (being 11,979,690 Shares, representing approximately 1.91% of the issued share capital of the Company as at the Announcement Date), each through Topco after the Scheme becomes effective. Accordingly, the RSU Trustee Rollover Shares and the Shares held by Convergence will not form part of the Scheme Shares.

### **Trustee Rollover Agreement**

The Offeror, Topco and the RSU Trustee have entered into the Trustee Rollover Agreement on [●] March 2024, pursuant to which:

- (a) subject to Condition (f) in the section headed “Conditions of the Proposal” and the Scheme becoming effective, the RSU Trustee will remain as a Shareholder until the Scheme becomes effective, the RSU Trustee Rollover Shares will not constitute Scheme Shares and all Shares held by the RSU Trustee will not be voted on the Scheme at the Court Meeting or the Rollover Arrangements at the extraordinary general meeting of the Company; and
- (b) upon the Scheme becoming effective, the RSU Trustee Rollover Shares will then be transferred to the Offeror in consideration for an aggregate of 2,001,113 shares to be issued by Topco to the RSU Trustee credited as fully paid at the Cancellation Price.

After completion of the Scheme and the transfers of the RSU Trustee Rollover Shares, the RSU Trustee will, through Topco, hold an indirect interest in the Company.

The Trustee Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

### **Convergence Rollover Agreement**

The Offeror, Topco and Convergence have entered into the Convergence Rollover Agreement on [●] March 2024, pursuant to which:

- (a) subject to Condition (f) in the section headed “Conditions of the Proposal” and the Scheme becoming effective, Convergence will remain as a Shareholder until the Scheme becomes effective, the Shares held by Convergence will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting or the Rollover Arrangements at the extraordinary general meeting of the Company;
- (b) upon the Scheme becoming effective, the Shares held by Convergence will then be transferred to the Offeror in consideration for an aggregate of 11,979,690 shares to be issued by Topco to Convergence credited as fully paid at the Cancellation Price. After completion of the Scheme and the transfers of the Shares held by Convergence, Convergence will, through Topco, hold an indirect interest in the Company;
- (c) Convergence has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by it directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror’s directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at an extraordinary general meeting of the Company, and that it shall be bound by, and take all actions necessary to implement the Scheme; and
- (d) Convergence has further undertaken that it shall not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it, nor will it accept any other offer in respect of all or any of such Shares.

The Convergence Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

### **Information on the RSU Trustee and Convergence**

The RSU Trustee is a professional trustee corporation appointed by the Company for the administration of the Post-IPO RSU Plan. As at the Announcement Date, the RSU Trustee holds 5,510,463 Shares, amongst which 3,509,350 Shares are to be used to satisfy the share awards granted to directors and employees of the Group and the remaining 2,001,113 Shares are to be used to satisfy future grants of share awards. Under the terms of the Post-IPO RSU

Plan, the RSU Trustee shall not exercise the voting rights in respect of any Shares held under the Post-IPO RSU Plan.

Convergence was set up as a shareholding platform for the core management of the Group for the purpose of building up an incentive mechanism, attracting and cultivating talent, maintaining steady development of the Group and aligning the interests of the core management of the Group with those of the Shareholders. Those core management are involved in the day-to-day operation of the Group and have extensive operational expertise in research and development, marketing, human resources and business operations and an in-depth understanding of the Group's business and development. The Offeror is of the view that it is important for Convergence to retain its stake in the Company in order to continue to provide long-term incentives to these core management after completion of the Scheme for alignment with the development of the Group.

### **Special Deal and Disinterested Shareholder Approval**

As the Rollover Arrangements are not offered to all Shareholders, the Rollover Arrangements constitute a special deal and require the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will (before the despatch of the Scheme Document) make an application for consent from the Executive to the Rollover Arrangements conditional on: (i) the Independent Financial Adviser confirming that the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned; and (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangements.

Accordingly, as set out in Condition (f) in the section headed "Conditions of the Proposal", the Proposal and the Scheme are subject to: (i) the receipt of an opinion from the Independent Financial Adviser confirming that the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangements; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangements.

Each of the RSU Trustee and Convergence is considered to be acting in concert with the Offeror as a result of the Rollover Arrangements, and is therefore not a Disinterested Shareholder and will not be voting on the Rollover Arrangements at the extraordinary general meeting of the Company.

### **GL ROLLOVER AGREEMENT**

As at the Announcement Date, the GL Rollover Shareholders (being concert parties of the Offeror) hold in aggregate 195,104,060 Shares, representing approximately 31.09% of the issued share capital of the Company. SFC 1<sup>st</sup>  
Q6

The Offeror, Topco and the GL Rollover Shareholders have entered into the GL Rollover Agreement on [●] March 2024, pursuant to which:

- (a) subject to Condition (f) in the section headed "Conditions of the Proposal" and the Scheme becoming effective, the GL Rollover Shareholders will remain as Shareholders until the Scheme becomes effective, the Shares held by the GL Rollover Shareholders

will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting or the Rollover Arrangements at the extraordinary general meeting of the Company;

- (b) upon the Scheme becoming effective, the Shares held by the GL Rollover Shareholders will then be transferred to the Offeror in consideration for an aggregate of 195,104,060 shares to be issued by Topco to the GL Rollover Shareholders credited as fully paid at the Cancellation Price. After completion of the Scheme and the transfers of the Shares held by the GL Rollover Shareholders, each GL Rollover Shareholder will, through Topco, hold an indirect interest in the Company;
- (c) the GL Rollover Shareholders have each undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by them directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at an extraordinary general meeting of the Company, and that each shall be bound by, and take all actions necessary to implement the Scheme; and
- (d) the GL Rollover Shareholders have each further undertaken that they shall not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by them, nor will they accept any other offer in respect of all or any of such Shares.

The GL Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

## **IRREVOCABLE UNDERTAKING**

The Offeror, Mr. Zhao and Ms. Pan have entered into the Irrevocable Undertaking on [●] March 2024, pursuant to which each of Mr. Zhao and Ms. Pan has undertaken:

- (a) not to exercise any Share Options held by him / her and to accept the Option Offer in respect of all his / her Share Options;
- (b) to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by them directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at an extraordinary general meeting of the Company, and that each shall be bound by, and take all actions necessary to implement the Scheme; and
- (c) not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by them, nor will they accept any other offer in respect of all or any of such Shares.



The Irrevocable Undertaking will be terminated if the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, refused or rejected by the Grand Court.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises all the non-executive Directors (other than Mr. Li, Dr. Vasella and Ms. Lin), namely Ms. Wang Haixia, Dr. Liu Guoen, Dr. Chen Ping, Mr. Gu Alex Yushao and Ms. Wendy Hayes, has been established by the Board to make a recommendation (i) to the Disinterested Shareholders as to whether the Proposal, the Scheme and the Rollover Arrangements are, or are not, fair and reasonable and as to voting at the Court Meeting and the extraordinary general meeting of the Company and (ii) to the Optionholders as to whether the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

SFC 1<sup>st</sup>  
Q7

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all the non-executive Directors who have no direct or indirect interest in the Proposal other than as a Shareholder. As Mr. Li ultimately controls the Offeror, Dr. Vasella is a Director nominated by GL Capital and Ms. Lin is currently a partner of the private equity investment department of GL Capital, each of Mr. Li, Dr. Vasella and Ms. Lin are concert parties of the Offeror. As such, each of Mr. Li, Dr. Vasella and Ms. Lin do not form part of the Independent Board Committee.

SFC 1<sup>st</sup>  
Q8

## **INDEPENDENT FINANCIAL ADVISER**

The Board, with the approval of the Independent Board Committee, has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme, the Option Offer and the Rollover Arrangements pursuant to Rule 2.1 of the Takeovers Code.

SFC 1<sup>st</sup>  
Q24

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

### **Benefits of the Proposal to the Scheme Shareholders:**

#### ***Cancellation Price represents a compelling exit premium under a challenging capital market environment***

Since the Company's initial public offering, a combination of factors have weighed on the capital market and the Company's share price, including global macroeconomic challenges such as geopolitical tensions, supply chain disruptions, lack of investor confidence, as well as industry changes including volume-based procurement of drugs in the PRC and ongoing regulatory reform. These factors, of which some have affected Company operations, have caused the Company's share price to underperform since its initial public offering in Hong Kong. In light of the fact that the majority of Group's revenue is currently contributed by a single product Zadaxin, the Company anticipates to pursue strategies to further diversify product portfolio and increase efforts on commercialization of new products for the next few years in order to optimize the Group's revenue structure. Besides, to ensure a continuous and efficient launch of new products, the Company aims to strategically focus on enhancing core competencies of product research and development. As such, additional investment and spending is expected on business development, research and development and marketing and

SFC 1<sup>st</sup>  
Q25



commercialization activities, which may bring volatility to the Company's financial performance. Given the challenging external environment and as the Company enters into a period of strategic transformations, the Proposal is intended to provide the Scheme Shareholders with an opportunity to realise their investment in the Company for cash at an attractive premium over the prevailing market price without having to suffer any illiquidity discount or market uncertainties.

SFC 1<sup>st</sup>  
Q26

The Cancellation Price represents a premium of approximately 33.90% and 47.47% over the closing price of HK\$14.04 per Share as quoted on the Stock Exchange on the Undisturbed Date and the average closing price of approximately HK\$12.75 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date respectively. The Cancellation Price is also equivalent to the highest closing price per Share on every trading day since the Company's listing on the Stock Exchange, and represents a premium of approximately 111.00% and 26.51% over the lowest closing price of HK\$8.91 per Share as quoted on the Stock Exchange on 4 October 2023 and the highest closing price of HK\$14.86 per Share as quoted on the Stock Exchange on 15 December 2023, respectively, during the 12-month period immediately prior to and including the Undisturbed Date. Considering the long-term depressed market performance as evidenced by the fact that the Hang Seng Healthcare Index has declined by 29.9% during the 12-month period immediately prior to and including the Last Trading Day, the Scheme affords the Scheme Shareholders the opportunity to monetize their investments in the Company and redeploy the cash received from accepting the Scheme into other usages.

#### ***An opportunity to exit investments with low trading liquidity***

The liquidity of Shares has been at a low level over a long period of time. The average daily trading volume of the Shares for the 24 months up to and including the Undisturbed Date was approximately 2.54 million Shares per day, representing only approximately 0.41% of the issued Shares as at the Announcement Date. The low trading liquidity of the Shares could make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the Company's share price occurs.

#### **Benefits of the Proposal to the Offeror and the Company:**

SFC 1<sup>st</sup>  
Q28

#### ***The listing status of the Company no longer provides meaningful access to capital***

Despite the Company's efforts to improve investor confidence and market value, including on-market buyback since March 2022 and a HK\$780 million share buyback offer in early 2023, the Company's low liquidity and relative underperformance in the trading of the Shares persisted. The Company's current listing status no longer sufficiently serves as a source of funding for its long-term growth, and the Company's ability to raise funds in the equity capital markets for future development and growth is limited.

Following the implementation of the Proposal, the Company is expected to substantially reduce the administrative and management resources needed in maintaining its listing status and the Offeror will be able to manage the Group with focus on its strategic direction and business operations.

### ***The unsatisfactory share performance distracts the Company from its business operations***

Over a long period of time, the Company's share price performance has not been satisfactory due to factors such as the overall momentum in Hong Kong stock market. As a leading biopharmaceutical company with an integrated platform for product development and commercialization in the PRC, the Company believes that its market value is an important commercial factor. The Offeror considers that the depressed share price has not fully reflected the Company's strengths and advantages in pharmaceutical industry, which might harm its business focus as well as its employee morale. It is believed that the implementation of the Proposal will help the Offeror and the Company to concentrate on solving critical issues in relation to the core business and operations, free from distractions brought by share price fluctuations.

SFC 1<sup>st</sup>  
Q27

### ***The Company seeks to implement long-term strategies that might have adverse impact in short-term market performance***

As a listed company in Hong Kong, the Company has been paying high attention to its share price performance, thus restraining the Company from implementing long-term strategies that might have adverse impact on the Company's short-term performance and share price. For example, the Company has been actively seeking to acquire licenses of new pipeline drug candidates and increase investment in developing products with first/best-in-class potential, which may not bring in immediate return in the short term. The Offeror believes that the successful implementation of the Proposal will provide more flexibility to the Company as a privately-owned business to implement its business strategies or to pursue business opportunities in the prevailing competitive environment, without being subject to administrative obligations as a listed company and without focusing on short-term market reactions and stock price fluctuations.

## **INFORMATION ON THE COMPANY**

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since 3 March 2021. The Group is principally engaged in developing and commercializing a portfolio of marketed products as well as pipeline with potential in its focused therapeutic areas including oncology and severe infection.

## **INFORMATION ON THE OFFEROR**

R3.5(b)

The Offeror is an exempted company incorporated in the Cayman Islands with limited liability and set up for the implementation of the Proposal. As at the Announcement Date, the Offeror is wholly-owned by Topco, which is in turn wholly-owned by GL Holdco. The general partner of GL Holdco is GL Capital Management GP IV B.C. 5 Ltd., which is wholly owned by GL Capital Management Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. GL Partners Capital Management Limited is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is wholly owned by Mr. Li. The limited partners of GL Holdco are the GL Cayman Fund (40.93%) and the GL Canadian Fund (59.07%).

SFC 1<sup>st</sup>  
Q29

The GL Cayman Fund is an exempted limited partnership formed under the laws of the Cayman Islands. The general partner of the GL Cayman Fund is GL Capital Management GP IV L.P.,

SFC 1<sup>st</sup>  
Q30

whose general partner is GL Capital Management GP IV Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. GL Partners Capital Management Limited is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is wholly owned by Mr. Li.

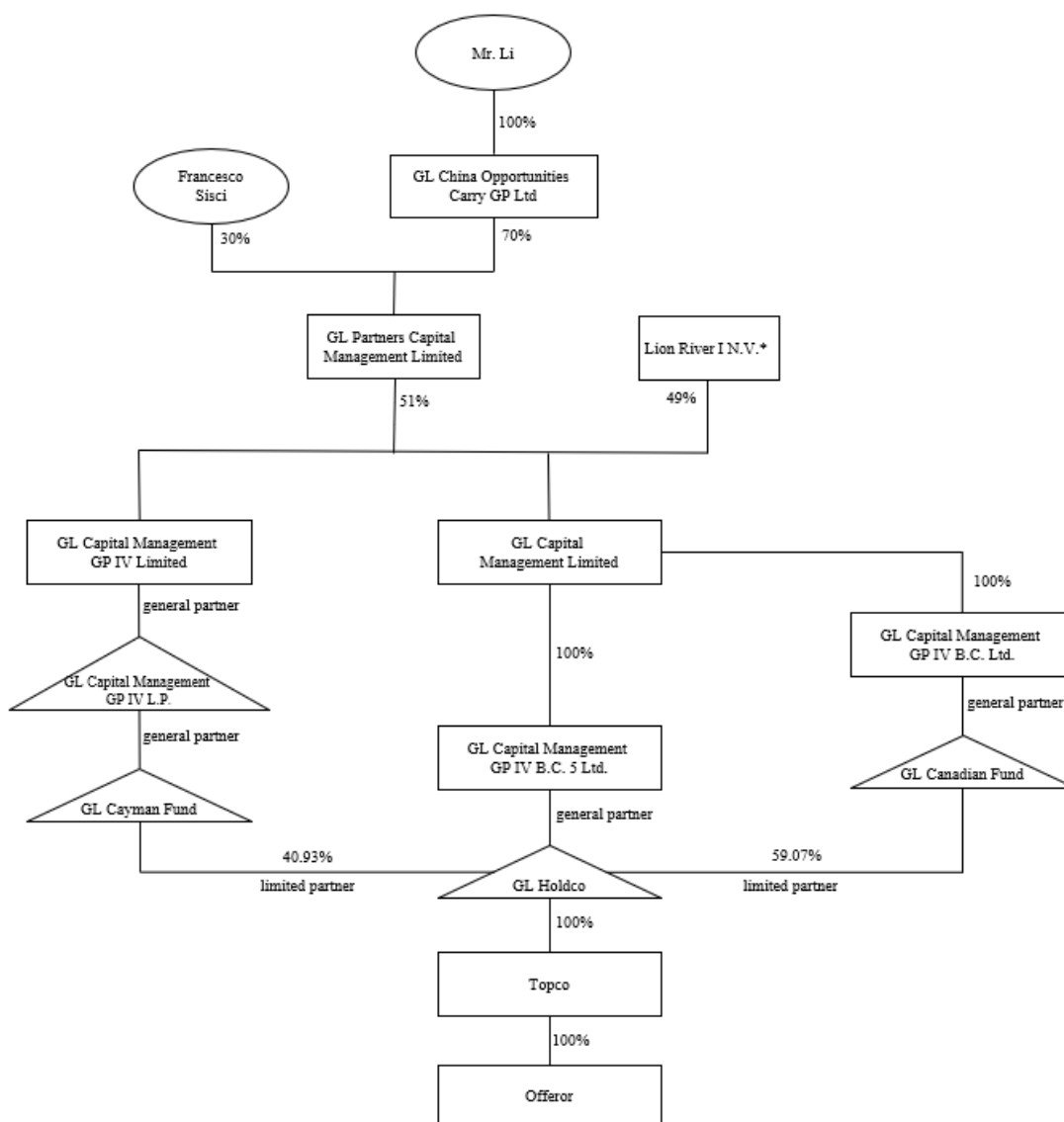
The GL Canadian Fund is a limited partnership formed under the laws of the Province of Alberta, Canada. The general partner of the GL Canadian Fund is GL Capital Management GP IV B.C. Ltd., which is wholly owned by GL Capital Management Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. GL Partners Capital Management Limited is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is wholly owned by Mr. Li.

SFC 1<sup>st</sup>  
Q30

SFC 2<sup>nd</sup>  
Q4

GL Capital is an investment firm that focuses on buyout and growth opportunities in China's healthcare industry. As of 31 December 2023, GL Capital had over US\$3.4 billion assets under management in aggregate across both public and private equity, through USD and RMB-denominated funds. GL Capital strives to be the partner-of-choice for leading healthcare companies, generate superior returns for its investors and contribute to the sustainable development of China's healthcare industry.

The chart below sets out the simplified shareholding structure of the Offeror as at the Announcement Date:



\*Lion River I.N.V. is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange.

Upon completion of the Proposal and the transfers of the Rollover Shares pursuant to the Rollover Agreements and assuming that no Subject Share Options are exercised before the Record Date and there is no other change in shareholding of the Company before completion of the Proposal, Topco will have 242,740,870 issued shares, and will be held as to 13.86% by GL Holdco, 54.92% by GL Trade, 25.45% by GL Glee, 4.94% by Convergence and 0.82% by the RSU Trustee. SFC 1<sup>st</sup> Q22, Q23

After the Announcement Date, GL Holdco may issue additional limited partnership interest to one or more co-investors (which are not existing Shareholder), in exchange for an aggregate subscription amount from such co-investors of not more than [49]% of the Offeror's payment obligations under the Proposal. For the avoidance of doubt, after such issuance, the general partner of GL Holdco will remain to be GL Capital Management GP IV B.C. 5 Ltd., which remains ultimately controlled by Mr. Li. SFC 1<sup>st</sup> Q31

## INFORMATION ON THE OFFEROR CONCERT PARTIES

GL Trade is an exempted limited partnership registered in Canada. GL Trade's general partner is GL Capital Management GP II B.C. 1 Ltd., a company incorporated in Canada which is wholly owned by GL Capital Management Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. Lion River I N.V. is a company incorporated in Netherlands and is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange. GL Partners Capital Management Limited is a limited liability company incorporated in the Cayman Islands and is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is a limited liability company incorporated in the Cayman Islands and is wholly owned by Mr. Li.

GL Glee is a limited liability company incorporated in the Cayman Islands and is wholly owned by GL China Opportunities Fund L.P., a limited partnership registered in Cayman Islands whose general partner is GL Capital Management GP L.P., a limited partnership registered in Cayman Islands, whose general partner is GL Capital Management GP Limited, which is held by GL Partners Capital Management Limited as to 51% and Lion River I N.V. as to 49%. Lion River I N.V. is a company incorporated in Netherlands and is wholly owned by Assicurazioni Generali S.p.A, a company listed on Italian Stock Exchange. GL Partners Capital Management Limited is a limited liability company incorporated in the Cayman Islands and is controlled by GL China Opportunities Carry GP Ltd as to 70% and Mr. Francesco Sisci as to 30%. GL China Opportunities Carry GP Ltd is a limited liability company incorporated in the Cayman Islands and is wholly owned by Mr. Li. SFC 1<sup>st</sup>  
Q32

Mr. Zhao is an executive Director, chief executive officer and president of the Company. Convergence is wholly owned by Beijing Convergence Management Consulting Partnership Enterprise (Limited Partnership) (北京諾盛衡康管理諮詢合夥企業(有限合夥)), which is in turn owned by its general partner, Juli Information Consulting (Beijing) Co., Ltd. (炬力信息諮詢(北京)有限公司), as to 0.000003957%, and its limited partner, Zhoushan Kangnuo Equity Investment Partnership Enterprise (Limited Partnership) (舟山康諾股權投資合夥企業(有限合夥)), as to 99.999996043%. Mr. Zhao is interested in 32.44% equity interests in Juli Information Consulting (Beijing) Co., Ltd. (炬力信息諮詢(北京)有限公司) and 40.96% partnership interests in Zhoushan Kangnuo Equity Investment Partnership Enterprise (Limited Partnership) (舟山康諾股權投資合夥企業(有限合夥)). Mr. Zhao is presumed to be acting in concert with the Offeror under class (6) of the definition of "acting in concert" under the Takeovers Code. The Shares held by Convergence will not form part of the Scheme Shares, but the Shares held by Mr. Zhao personally will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

Ms. Pan is an executive Director, vice president, chief financial officer and the joint company secretary of the Company. Ms. Pan is acting in concert with the Offeror due to her involvement in the discussions relating to the Proposal. The Shares held by Ms. Pan will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

The RSU Trustee is a professional trustee corporation appointed by the Company for the administration of the Post-IPO RSU Plan. The RSU Trustee is acting in concert with the Offeror due to the Rollover Arrangements. The RSU Trustee Rollover Shares (being the 2,001,113 Shares held by the RSU Trustee) will not form part of the Scheme Shares, but the RSU Trustee Scheme Shares (being the 3,509,350 Shares held by the RSU Trustee) will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective.

The Option Trustee is a professional trustee corporation appointed by the Company for the administration of the Option Incentive Plan. Each of the Option Trustee and the RSU Trustee is wholly owned by Maples Trustee, in each case acting solely in its capacity as trustee of the SciClone Trust and holds Shares upon the terms of the SciClone Trust. As the RSU Trustee is acting in concert with the Offeror, the Option Trustee is also acting in concert with the Offeror. The Option Trustee Held Shares will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective.

SFC 1<sup>st</sup>  
Q33

SFC 2<sup>nd</sup>  
Q5

## **WITHDRAWAL OF LISTING OF SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and any share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules immediately following the Scheme becoming effective.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, inter alia, further details of the Scheme.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

## **OVERSEAS SHAREHOLDERS**

The making and implementation of the Proposal to Scheme Shareholders and the Option Offer to Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located. Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements.

It is the responsibility of any overseas Scheme Shareholders and Optionholders wishing to take any action in relation to the Proposal and the Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or

the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the Scheme Shareholders and Optionholder will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers (including CICC) that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders or overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders or overseas Optionholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders or overseas Optionholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders or overseas Optionholders, as the case may be.

## **TAXATION ADVICE**

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Option Offer. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company and CICC or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Option Offer.

## **SCHEME SHARES, COURT MEETING AND EXTRAORDINARY GENERAL MEETING OF THE COMPANY**

As at the Announcement Date, the Offeror does not hold any Shares, and the Rollover Shareholders hold an aggregate of 209,084,863 Rollover Shares representing approximately 33.31% of the issued share capital of the Company. The Rollover Shares will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting. The Offeror and each of the Rollover Shareholders will not be able to vote on the Rollover Arrangements at the extraordinary general meeting of the Company.

Mr. Zhao and Convergence hold an aggregate of 12,479,690 Shares, representing approximately 1.99% of the issued share capital of the Company as at the Announcement Date. The Shares held by Convergence will not form part of the Scheme Shares, but the Shares held by Mr. Zhao personally will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

Ms. Pan holds 45,667 Shares, representing approximately 0.01% of the issued share capital of the Company as at the Announcement Date. The Shares held by Ms. Pan will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. SFC 1<sup>st</sup> Q34

The RSU Trustee holds 5,510,463 Shares, amongst which 3,509,350 Shares are to be used to satisfy the share awards granted to directors and employees of the Group and the remaining 2,001,113 Shares are to be used to satisfy future grants of share awards. The RSU Trustee Scheme Shares (being the 3,509,350 Shares held by the RSU Trustee) will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

The Option Trustee holds 16,611,000 Shares to be transferred to the holders upon exercise of the Share Options granted under the Option Incentive Plan. The Option Trustee Held Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

Each of (i) Mr. Zhao and Convergence, (ii) Ms. Pan, (iii) the RSU Trustee and (iv) the Option Trustee will not be able to vote on the Rollover Arrangements at the extraordinary general meeting of the Company, and each of their votes will not be counted as a vote of a Disinterested Shareholder in determining whether the requirements under Condition (b) under the section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.

The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders will be entitled to attend the extraordinary general meeting of the Company and vote on the special resolution to: (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith maintain the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

The Offeror and the Offeror Concert Parties have indicated that if the Scheme is approved at the Court Meeting, those Shares held by them will be voted in favour of the resolutions to be proposed at the extraordinary general meeting of the Company in relation to: (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith maintain the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror. Neither the Offeror nor the Offeror Concert Parties (including the Rollover Shareholders, Mr. Zhao, Ms. Pan and the Option Trustee) will vote on the Rollover Arrangements at the extraordinary general meeting of the Company.

## **COSTS OF THE SCHEME**

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the



Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## GENERAL

The Offeror has appointed CICC as its financial adviser in connection with the Proposal.

As Mr. Li ultimately controls the Offeror, Dr. Vasella is a Director nominated by GL Capital and Ms. Lin is currently a partner of the private equity investment department of GL Capital, each of Mr. Li, Dr. Vasella and Ms. Lin are concert parties of the Offeror. In addition, each of Mr. Zhao and Ms. Pan is a party to the Irrevocable Undertaking. As such, each of Mr. Zhao, Ms. Pan, Mr. Li, Dr. Vasella and Ms. Lin has a material interest in the Proposal and has therefore abstained from voting on any vote of the Board in relation to the Proposal, the Scheme and the Option Offer. SFC 1<sup>st</sup>  
Q35

The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal, the Scheme and the Option Offer are fair and reasonable and in the interests of the Shareholders as a whole.

The Scheme Shareholders and the Optionholders are reminded to carefully read the Scheme Document, the letter of advice from the Independent Financial Adviser and the letter from the Independent Board Committee to the Disinterested Shareholders contained therein before making a decision.

As at the Announcement Date:

- (a) save as disclosed in the section headed “Shareholding Structure of the Company” above, neither the Offeror nor any Offeror Concert Party owns, controls or has direction over any Shares, convertible securities, warrants or options in the Company; R3.5(c)(i), (ii)  
& (iv)
- (b) save as disclosed in the section headed “Shareholding Structure of the Company” above, there are no securities, warrants or options convertible into Shares held, controlled or directed by the Offeror or any Offeror Concert Party;
- (c) neither the Offeror nor any Offeror Concert Party has entered into any outstanding derivative in respect of the securities in the Company; R3.5(d)
- (d) neither the Offeror nor any Offeror Concert Party has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; R3.5(h)
- (e) save for the Rollover Agreements and the Irrevocable Undertaking, no irrevocable commitment to vote for or against the Scheme, or to accept or not accept the Option Offer, has been received by the Offeror or the Offeror Concert Parties; R3.5(c)(iii)
- (f) other than the Cancellation Price for each Scheme Share payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in connection with the Scheme Shares;

- (g) save for the Rollover Agreements and the Irrevocable Undertaking, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Proposal; R3.5(f)
- (h) save for the Rollover Arrangements, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a Condition to the Proposal; R3.5(g)
- (i) save for the Rollover Agreements and the Irrevocable Undertaking, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (x) the Offeror and the Offeror Concert Parties, or (y) the Company or the Company's subsidiaries or associated companies; R3.5(j)
- (j) save for the Rollover Arrangements and the Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any of the Offeror Concert Parties on the one hand, and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and R3.5(i)
- (k) save for the dealings in the Shares by CICC which are conducted on a non-discretionary basis for and on behalf of its clients, none of the Offeror and the Offeror Concert Parties has dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the six months prior to and up to and including the Announcement Date. SFC 1<sup>st</sup> Q36

## **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among others: (i) further details of the Proposal, the Scheme, the Option Offer and the Rollover Arrangements; (ii) the expected timetable in relation to the Proposal, the Scheme and the Option Offer; (iii) an explanatory memorandum as required under the Companies Act and the rules of the Grand Court; (iv) information regarding the Company; (v) recommendations from the Independent Board Committee with respect to the Proposal, the Scheme, the Option Offer and the Rollover Arrangements, and the letter of advice from the Independent Financial Adviser; and (vi) a notice of the Court Meeting and a notice of an extraordinary general meeting of the Company, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the holders of Scheme Shares are urged to carefully read the Scheme Document containing such disclosures before casting any vote at (or providing any proxy in respect of) the Court Meeting or the extraordinary general meeting of the Company.

## **DISCLOSURE OF DEALINGS**

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby

reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS**

This announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements about the expected effects on the Company of the Proposal, the expected timing and scope of the Proposal, and all other statements in this announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations. Other

unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date.

Shareholders will be informed of any new material information of the Company as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

## **TRADING HALT AND RESUMPTION**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:07 a.m. on 19 March 2024 pending the release of this announcement.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from [●] on [●] 2024.

## **DEFINITIONS**

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

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| “acting in concert”  | has the meaning ascribed to it under the Takeovers Code                                                                                                                                                                                                                                                                                                                                                                                      |                         |
| “Announcement Date”  | [28] March 2024, being the date of this announcement                                                                                                                                                                                                                                                                                                                                                                                         |                         |
| “associates”         | has the meaning ascribed to it under the Takeovers Code                                                                                                                                                                                                                                                                                                                                                                                      |                         |
| “Board”              | the board of directors of the Company                                                                                                                                                                                                                                                                                                                                                                                                        |                         |
| “Board Resolutions”  | the board resolutions of the Company dated [28] March 2024 in respect of, among other things, the Proposal, the Scheme and the Option Offer                                                                                                                                                                                                                                                                                                  | SFC 1 <sup>st</sup> Q37 |
| “Cancellation Price” | the cancellation price of HK\$18.8 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme                                                                                                                                                                                                                                                                                                         |                         |
| “CICC”               | China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in connection with the Proposal. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO |                         |
| “Companies Act”      | the Companies Act (2023 Revision) of the Cayman Islands                                                                                                                                                                                                                                                                                                                                                                                      |                         |

|                                  |                                                                                                                                                                                                             |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Company”                        | SciClone Pharmaceuticals (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6600) |
| “Conditions”                     | the conditions to the implementation of the Proposal as set out in the section headed “Conditions of the Proposal” of this announcement                                                                     |
| “Convergence”                    | Convergence International Holdings Ltd.                                                                                                                                                                     |
| “Convergence Rollover Agreement” | the rollover agreement entered into between the Offeror, Topco and Convergence on [●] March 2024                                                                                                            |
| “Court Meeting”                  | a meeting of the holders of Scheme Shares to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof              |
| “Director(s)”                    | the director(s) of the Company                                                                                                                                                                              |
| “Disinterested Shareholders”     | Shareholders other than the Offeror and the Offeror Concert Parties                                                                                                                                         |
| “Dr. Vasella”                    | Dr. Daniel Luzius Vasella, a non-executive Director                                                                                                                                                         |
| “Executive”                      | the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof                                                                      |
| “GL Canadian Fund”               | GL China Opportunities Fund IV (Canada) L.P., a limited partnership formed under the laws of the Province of Alberta, Canada                                                                                |
| “GL Capital”                     | GL Capital Management Limited and any of its affiliated funds                                                                                                                                               |
| “GL Cayman Fund”                 | GL China Opportunities Fund IV L.P., an exempted limited partnership formed under the laws of the Cayman Islands                                                                                            |
| “GL China”                       | GL China Opportunities Carry Limited Partnership, a limited partnership registered in the Cayman Islands                                                                                                    |
| “GL Glee”                        | GL Glee Investment Limited, a limited liability company incorporated in the Cayman Islands                                                                                                                  |
| “GL Holdco”                      | GL Torch Investment IV L.P., a limited partnership formed under the laws of the Province of Alberta, Canada                                                                                                 |
| “GL Rollover Agreement”          | the rollover agreement entered into between the Offeror, Topco and the GL Rollover Shareholders on [●] March 2024                                                                                           |

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “GL Rollover Shareholders”                        | GL Trade and GL Glee                                                                                                                                                                                                                                                                                                                                                                                   |
| “GL Trade”                                        | GL Trade Investment L.P., an exempted limited partnership registered in Canada                                                                                                                                                                                                                                                                                                                         |
| “Grand Court”                                     | the Grand Court of the Cayman Islands                                                                                                                                                                                                                                                                                                                                                                  |
| “Group”                                           | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                       |
| “Hang Seng Healthcare Index”                      | the Hang Seng Healthcare Index published by Hang Seng Indexes Company Limited or any successor company or organisation                                                                                                                                                                                                                                                                                 |
| “Hang Seng Index”                                 | the Hang Seng Index published by Hang Seng Indexes Company Limited or any successor company or organisation                                                                                                                                                                                                                                                                                            |
| “HK\$”                                            | Hong Kong dollar(s), the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                  |
| “Hong Kong”                                       | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                 |
| “Independent Board Committee”                     | the independent board committee of the Company established by the Board to make a recommendation to the Disinterested Shareholders in respect of the Proposal, the Scheme, the Option Offer and the Rollover Arrangements                                                                                                                                                                              |
| “Independent Financial Adviser” or “Opus Capital” | Opus Capital Limited, a licensed corporation under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activity, being the independent financial adviser appointed by the Board with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal, the Scheme, the Option Offer and the Rollover Arrangements |
| “Irrevocable Undertaking”                         | the irrevocable undertaking entered into between the Offeror, Mr. Zhao and Ms. Pan on [●] March 2024                                                                                                                                                                                                                                                                                                   |
| “Last Trading Day”                                | 18 March 2024, being the last trading day prior to the trading halt of the Company on 19 March 2024 pending the issue of this announcement                                                                                                                                                                                                                                                             |
| “Listing Rules”                                   | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                                                                                    |
| “Long Stop Date”                                  | [31 October] 2024 or such other date as the Company and the Offeror may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive                                                                                                                                                                                                              |

SFC 1<sup>st</sup>  
Q38

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| “Maples Trustee”               | Maples Trustee Services (Cayman) Limited, a company incorporated in the Cayman Islands, being the original trustee of SciClone Trust appointed by the Company under the terms of the Trust Deed                                                          |
| “Mr. Li”                       | Mr. Li Zhenfu, a non-executive Director                                                                                                                                                                                                                  |
| “Mr. Zhao”                     | Mr. Zhao Hong, an executive Director                                                                                                                                                                                                                     |
| “Ms. Lin”                      | Ms. Lin Shirley Yi-Hsien, a non-executive Director                                                                                                                                                                                                       |
| “Ms. Pan”                      | Ms. Pan Rongrong, an executive Director                                                                                                                                                                                                                  |
| “Offeror”                      | Silver Pegasus Investment Limited, an exempted company incorporated in the Cayman Islands with limited liability                                                                                                                                         |
| “Offeror Concert Parties”      | parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including GL Glee, GL Trade, Mr. Zhao, Convergence, Ms. Pan, the RSU Trustee and the Option Trustee |
| “Optionholder(s)”              | holder(s) of the Subject Share Options                                                                                                                                                                                                                   |
| “Option Incentive Plan”        | the option incentive plan approved and adopted by the Company on 24 June 2018, pursuant to which options to subscribe for an aggregate of 37,023,842 Shares are outstanding (all of which are vested) as at the Announcement Date                        |
| “Option Offer”                 | the offer to be made by or on behalf of the Offeror to the Optionholders for the cancellation of the Subject Share Options, conditional upon the Scheme becoming effective                                                                               |
| “Option Trustee”               | SciClone Option Management Limited, a company incorporated in the British Virgin Islands, which holds Shares for the benefit of grantees under the Option Incentive Plan                                                                                 |
| “Option Trustee Held Share(s)” | the 16,611,000 existing Shares held by the Option Trustee to be transferred to the holders upon exercise of the Share Options granted under the Option Incentive Plan                                                                                    |
| “Post-IPO Option Plan”         | the post-IPO share option scheme adopted by Shareholders’ resolution on 22 January 2021, pursuant to which options to subscribe for an aggregate of 34,008,170 Shares are outstanding (8,446,020 of which are vested) as at the Announcement Date        |
| “Post-IPO RSU Plan”            | the post-IPO Restricted Share Unit Plan adopted by Shareholders’ resolution on 22 January 2021, pursuant to which RSUs representing 3,509,350 Shares are outstanding (none of which is vested) as at the Announcement Date                               |

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| “PRC”                           | the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan                                                                                                            |
| “Proposal”                      | the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the Option Offer, on the terms and subject to the conditions set out in this announcement and to be set out in the Scheme Document                             |
| “Record Date”                   | the appropriate record date to be announced for determining entitlements of the holders of Scheme Shares under the Scheme                                                                                                                                |
| “Relevant Authorities”          | appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions                                                                                                                                                            |
| “RMB”                           | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                 |
| “Rollover Agreements”           | the Trustee Rollover Agreement, the Convergence Rollover Agreement and the GL Rollover Agreement                                                                                                                                                         |
| “Rollover Arrangements”         | the arrangements between the Offeror and each of the RSU Trustee and Convergence under the Trustee Rollover Agreement and the Convergence Rollover Agreement (as applicable)                                                                             |
| “Rollover Share(s)”             | the RSU Trustee Rollover Shares and the Shares held by the GL Rollover Shareholders and Convergence, being an aggregate of 209,084,863 Shares (representing approximately 33.31% of the issued share capital of the Company as at the Announcement Date) |
| “Rollover Shareholders”         | the GL Rollover Shareholders, Convergence and the RSU Trustee                                                                                                                                                                                            |
| “RSU(s)”                        | the outstanding restricted share unit(s) granted pursuant to the Post-IPO RSU Plan                                                                                                                                                                       |
| “RSU Trustee”                   | SCLN ESOP Management Limited, a company incorporated in the British Virgin Islands, which holds Shares for the benefit of grantees under the Post-IPO RSU Plan                                                                                           |
| “RSU Trustee Rollover Share(s)” | the 2,001,113 existing Shares held by the RSU Trustee to be used to satisfy future grants of share awards                                                                                                                                                |
| “RSU Trustee Scheme Share(s)”   | the 3,509,350 existing Shares held by the RSU Trustee to be used to satisfy the share awards granted to directors and employees of the Group                                                                                                             |



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| “Scheme”                  | a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of all the Scheme Shares and the maintenance of the share capital of the Company at the amount immediately before the cancellation of the Scheme Shares                                        |
| “Scheme Document”         | the composite scheme document of the Company and the Offeror to be issued to all Shareholders containing, inter alia, further details of the Proposal together with the additional information specified in the section of this announcement headed “Despatch of Scheme Document” above |
| “Scheme Share(s)”         | Share(s) held by the Shareholders, other than the Rollover Shares                                                                                                                                                                                                                       |
| “Scheme Shareholder(s)”   | registered holder(s) of Scheme Shares as at the Record Date                                                                                                                                                                                                                             |
| “SciClone Trust”          | the employee share trust established by way of the Trust Deed pursuant to the terms of the Option Incentive Plan and the Post-IPO RSU Plan                                                                                                                                              |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)                                                                                                                                                                                                             |
| “Share(s)”                | ordinary share(s) of a par value of US\$0.00005 each in the share capital of the Company                                                                                                                                                                                                |
| “Share Option(s)”         | the outstanding share options granted pursuant to the Option Incentive Plan and/or Post-IPO Option Plan                                                                                                                                                                                 |
| “Shareholder(s)”          | registered holder(s) of Shares                                                                                                                                                                                                                                                          |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                 |
| “Subject Share Option(s)” | the 20,412,842 Share Options granted under the Option Incentive Plan entitling the holders to subscribe for 20,412,842 new Shares and all the 34,008,170 Share Options granted under the Post-IPO Option Plan entitling the holders to subscribe for 34,008,170 new Shares              |
| “Takeovers Code”          | The Code on Takeovers and Mergers in Hong Kong                                                                                                                                                                                                                                          |
| “Topco”                   | Silver Pegasus Holding Limited, an exempted company incorporated in the Cayman Islands with limited liability                                                                                                                                                                           |
| “trading day”             | a day on which the Stock Exchange is open for the business of dealings in securities                                                                                                                                                                                                    |
| “Trust Deed”              | the trust deed dated 3 September 2020 entered into between the Company and Maples Trustee (as restated, supplemented and amended from time to time) in respect of, inter alia, the                                                                                                      |

SFC 1<sup>st</sup>  
Q39

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|                              | constitution of the SciClone Trust and the appointment of the Maples Trustee as the original trustee                                         |
| “Trustee Rollover Agreement” | the rollover agreement entered into between the Offeror, Topco and the RSU Trustee on [●] March 2024                                         |
| “Undisturbed Date”           | 15 March 2024, being the last trading day prior to 18 March 2024 when there were irregular trading volumes and price movements in the Shares |
| “Undisturbed Period”         | the 12-month period immediately prior to and including the Undisturbed Date                                                                  |
| “United States” or “US”      | the United States of America, its territories and possessions, any State of the United States and the District of Columbia                   |
| “%”                          | per cent.                                                                                                                                    |

By order of the board of directors of  
**Silver Pegasus Investment Limited**  
**LI Zhenfu**  
*Director*

On behalf of the Board  
**SciClone Pharmaceuticals (Holdings) Limited**  
**ZHAO Hong**  
*Executive Director, Chief Executive Officer and President*

Hong Kong, [28] March 2024

*As at the Announcement Date, the sole director of the Offeror is Mr. Li Zhenfu.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors (other than Mr. Li Zhenfu)) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the Announcement Date, the Board comprises Mr. Zhao Hong and Ms. Pan Rongrong as executive directors, Mr. Li Zhenfu, Dr. Daniel Luzius Vasella, Ms. Lin Shirley Yi-Hsien and Ms. Wang Haixia as non-executive directors, and Dr. Liu Guoen, Dr. Chen Ping, Mr. Gu Alex Yushao and Ms. Wendy Hayes as independent non-executive directors.*

*The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement by the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*\* for identification purpose only*