

The directors of the Offeror

23 December, 2024

PROPOSED PRIVATISATION OF HENLIUS
BY SHANGHAI FOSUN NEW MEDICINE RESEARCH COMPANY
LIMITED BY WAY OF MERGER BY ABSORPTION OF HENLIUS
BIOTECH, INC.
ESTIMATE OF VALUE OF THE ROLLOVER SECURITIES

Dear Sirs,

We refer to the document of even date jointly issued by Shanghai Henlius Biotech, Inc. (the “**Company**” or “**Henlius**”) and Shanghai Fosun New Medicine Research Company Limited (the “**Offeror**”) (the “**Composite Document**”) of which this letter forms part. Capitalised terms used in this letter will, unless otherwise stated, have the same meaning given to them in the Composite Document.

Pursuant to the requirements of the Takeovers Code, you have requested us to provide you with an estimate of value of the SPV Shares (the “**Estimate of Value**”). Under the Merger, the Shareholders may elect (i) the **Cash Alternative** on the following basis that the Offeror will pay the Cancellation Price in the amount of: HK\$24.60 per H Share to the H Shareholders (other than Fosun Industrial) for the cancellation of the H Shares, and RMB22.444794 per Unlisted Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Unlisted Shareholders (other than the Offeror and Fosun Pharma Industrial Development), for the cancellation of the Unlisted Shares; or (ii) the **Share Alternative** on the following basis that the Hong Kong Rollover Entity and the PRC Rollover Entity will issue respectively: one Hong Kong Rollover Share per H Share, one PRC Rollover Share per Unlisted Share, and upon issuance of the Hong Kong Rollover Shares / PRC Rollover Shares (as the case may be), the Offeror will issue new shares in its share capital to the Hong Kong Rollover Entity / PRC Rollover Entity (as the case may be) on the basis of each 0.233108 shares in the Offeror’s share capital for each Share to be cancelled (or 1 share in the Offeror’s share capital for each 4.289864016 Shares to be cancelled).

PURPOSE

The Estimate of Value has been provided to the Offeror solely for the purposes of Paragraph 30 of Schedule I to the Takeovers Code, and shall not be used or relied upon for any other purpose whatsoever, and is not made on behalf of, and shall not confer rights or remedies upon, any third party. It is to be emphasized that the Estimate of Value contained herein is an estimated value of each SPV Share based on certain assumptions and therefore does not necessarily reflect the actual value of SPV Shares. This letter is not addressed to any third party and the contents of it may not be relied upon by any third party for any purpose whatsoever; and CICC expressly disclaims any duty or liability to any third party with respect to the contents of this letter. Except for its inclusion in the Composite Document, this letter may not be quoted or referred to, in whole or in part, nor may any other public reference to CICC be made, without our prior written consent.

This letter sets out an Estimate of Value of each SPV Share assuming the Merger has declared effective and such SPV Share is in issue as at the date of this letter.

The Estimate of Value does not represent the value that a holder of a SPV Share may realize on any future sale – and such a value may be higher or lower than the figure in this letter. CICC assumes no obligation to reaffirm, update or revise the Estimate of Value based upon circumstances or events occurring after the date hereof. Additionally, the Estimate of Value is based on the announced value of HK\$24.60 per H Share and RMB22.444794 per Unlisted Share, which is equivalent

to the Cancellation Price of each H Share based on the Exchange Rate, under the Cash Alternative, on which CICC expresses no opinion and gives no representation.

In providing the Estimate of Value, CICC expresses no opinion and makes no recommendation to any person as to whether they should vote in favour of the Merger or whether they should make any election to choose the Cash Alternative or the Share Alternative. Further, CICC expresses no opinion as to the fairness of the amount of the Cash Alternative and/or the number and nature of SPV Shares comprised in the Share Alternative as referenced in the Merger.

ASSUMPTIONS

For the purposes of our analysis, we have made the following assumptions:

- i. There exists a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having knowledge of all relevant facts;
- ii. As at the date of this letter, the Merger has become or been declared effective and the Company is a wholly owned subsidiary of the Offeror;
- iii. The SPV Shares issued in connection with the Merger comprise the entire issued share capital of the Rollover Entities and no person has any right to acquire or subscribe for any share or loan capital of the Rollover Entities other than the SPV Shares issued in connection with the Merger. Such shares have been issued pursuant to the terms of the Merger free from all encumbrances, credited as fully-paid, non-assessable, and ranking *pari passu* with all issued shares in the Rollover Entities, including the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of their issue. The interests of Fosun Pharma Industrial Development in the PRC Rollover Entity and Fosun Industrial in the Hong Kong Rollover Entity represented their respective founder interests in those entities upon their incorporation. Upon settlement of the Share Alternative, the Offeror will structure the shareholding of the Rollover Entities such that the founder shares will not be voted, and, therefore, will not influence any voting outcome of the Rollover Entities through such shares;
- iv. Any Shares in the issued share capital of the Company acquired by the Offeror have been acquired free from all liens, options and third party rights and together with the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of this letter;
- v. The Shares subject to the Merger comprise the entire issued share capital of the Company and, no person other than the Offeror has any right to acquire or option to subscribe for any share or loan capital of the Company and no share capital of the Company is disposed of nor any right granted over or in respect of it at any future date;
- vi. No dividend or other distribution (whether in cash or in kind) shall be declared, made or paid by the Company to the Shareholders between the date of the Announcement and the Effective Date, and any further dividend or distribution shall be subject to the consent of the Offeror;

- vii. The Offeror, the Rollover Entities and the Company exist on a continuing basis;
- viii. The SPV Shares are unlisted and are valued on this basis. Whilst it is not possible to give a precise measure of the discount to reflect, among other things, the lack of marketability, the rights of the shareholders of the Rollover Entities and no methodological analysis can be undertaken for the purposes of estimating such a discount, for the purposes of calculating our range of Estimate of Value, we have assumed a range of discounts of 0-30% to an equivalent listed security to reflect, among other things, the lack of marketability and such shareholders' rights. We believe such range of discounts is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatization precedents in Hong Kong which involves unlisted shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted shares. In evaluating the level of discount applied, we have identified the following general offer/privatisation cases since 2013 which involved valuation of unlisted shares, and noted that a lack of marketability/shareholders' rights discount of 30% was applied to derive the low-end value of the unlisted shares under the share alternative in the respective case:

Date of composite document	Company (stock code)	Discount applied
1 July 2024	L'Occitane International S.A. (0973)	30%
22 September 2023	Trigiant Group Limited (1300)	30%
4 May 2022	Suchuang Gas Corporation Limited (2868)	30%
10 November 2021	Lee Hing Development Limited (0068)	30%
3 August 2021	Clear Media Ltd (100)	30%
26 January 2021	Huifu Payment Limited (1806)	30%
20 June 2019	China Power Clean Energy Development Co Ltd (735)	30%
5 September 2016	Nirvana Asia Ltd (1438)	30%
23 July 2013	Yashili International Holdings Ltd (1230)	30%

- ix. We have relied on and assumed, without independent verification, the accuracy and completeness of the information reviewed by us (including but not limited to the management accounts of the Offeror, and the Rollover Entities were incorporated on 3 December 2024 and 29 November 2024 respectively and are each an investment holding company. As at the Latest Practicable Date, the Rollover Entities had no asset and business. The Rollover Entities do not have published audited accounts or unaudited consolidated management accounts, which specifies the amount of cash, assets, indebtedness and liabilities that are expected to remain in the Offeror immediately following the Merger becoming effective) for the purposes of the Estimate of Value; and we have not assumed and do not assume any responsibility or liability in relation thereto. We have not made any independent valuation or appraisal of the assets and liabilities of the Company, nor have we sought or been provided with any such valuation or appraisal. The Estimate of Value is necessarily based on financial, economic, market, regulatory and other conditions in effect, and the information made available to us, as at the date of this letter. It should be

understood that subsequent developments may affect the Estimate of Value contained in this letter;

- x. The Company and its subsidiaries will continue to operate in the ordinary course as a going concern and are not subject to any material adverse event; the assets and liabilities of the Company (on a consolidated basis) are fairly reflected in the Company's annual report comprising its consolidated accounts for the fiscal year ended 31 December 2023 and interim report comprising its consolidated accounts for the six months ended 30 June 2024, which were published on 17 April 2024 and 24 August 2024 respectively (the "**Last Accounts**"); Neither the Company nor any of its subsidiaries disposes of any asset for less than its fair value (as reflected in the Last Accounts) nor suffers or incurs any liability, other than in the ordinary course of business;

METHODOLOGY

In our Estimate of Value, we derive ranges of value for SPV Shares which reflect the estimated value of such shares hypothetically assuming for the purpose of calculating the top end of the range that they are listed and freely tradable, and for the purpose of calculating the bottom end of the range we have assumed a discount of 30% to reflect, among other things, the lack of marketability and shareholders' rights.

The estimated value of the SPV Shares is equal to the total estimated value of the new shares to be issued under the Share Alternative, while the estimated value of the new shares is based on the total value of the Shares subject to the Merger and the percentage of Rollover Entities' shareholding in the Company. As such, at the top end of our range, the total value of the SPV Shares is assumed to be calculated as:

$$(a) \times (b)$$

Where (a) and (b) are defined as follows:

- (a) the value of all of the Shares subject to the Merger;
- (b) the percentage of Rollover Entities' shareholding in the Company ; and

Following the implementation of the Merger, the Rollover Entities will not own any other assets or any other liabilities except for the Shares subject to the Merger. As a result, the estimated value of all issued SPV Shares is equal to (a) \times (b).

In deriving a value for (a) at the top end of the range, we have used a value of HK\$24.60 per H Share which is equivalent to the value per H Share under the Cash Alternative. Additionally, the Estimate of Value is based on the announced value of HK\$24.60 per H Share under the Cash Alternative on which CICC expresses no opinion or representation.

Our Estimate of Value will not be affected by the external debt financing as the subscription amount will be paid up by setting it off against the financing principal amount to fund the Cancellation Price, whereas interest and transaction expenses to be borne by Fosun Pharma Industrial Development in connection with the Merger. After completion of the Merger, the Offeror will only assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company from the Implementation Date and the Offeror will not hold any other cash, assets, indebtedness nor liabilities. Therefore, the value of the Offeror will not be affected by the external debt financing of the Merger.

In addition, the Rollover Entities are established for the purposes of issuing the Rollover Securities under the Share Alternative and will not hold any cash, assets, indebtedness nor liabilities. The Hong Kong Rollover Entity and the PRC Rollover Entity will issue respectively one Hong Kong Rollover Share per H Share, one PRC Rollover Share per Unlisted Share. Upon issuance of the Hong Kong Rollover Shares / PRC Rollover Shares (as the case may be), the Offeror will issue new shares in its share capital to the Hong Kong Rollover Entity / PRC Rollover Entity (as the case may be) on the basis of each 0.233108 shares in the Offeror's share capital for each Share to be cancelled (or 1 share in the Offeror's share capital for each 4.289864016 Shares to be cancelled).

As such, value of HK\$24.60 per SPV share is equal to HK\$24.60 per H Share, for deriving value for (a) at the top end of the range.

It is currently estimated that: assuming the Share Alternative is settled up to the Share Alternative Cap, the Offeror will be owned by Fosun Pharma Industrial Development and Fosun Industrial as to 92.00% in aggregate and the Rollover Entities as to 8.0% in aggregate following the Merger becoming effective. The exact number of the new shares issued by the Rollover Entities is dependent on the level of acceptances of the Share Alternative and, as such, this percentage has been used in deriving a value for (b).

As stated above, we have derived the lower end of the range for the Estimate of Value for each SPV Share, by assuming a 30% discount to the value calculated above to reflect the lack of marketability and shareholders' rights, of an unlisted share.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, including, but not limited to, the above qualitative factors, the effects of which are difficult to predict. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which the SPV Shares might actually trade as at the date hereof or at any future date; (ii) the amount which might be realised upon a sale of a SPV Share to a third party; or (iii) the amount that might be realized by a holder of a SPV Share on liquidation of the Rollover Entities. Our Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market conditions, the financial conditions and prospects of the Rollover Entities and other factors which generally influence the valuation of companies and securities. As a result, there can be no assurance that the actual price of a SPV Share will not be higher or lower than the Estimate of Value.

Assuming the Share Alternative is settled up to the Share Alternative Cap:

At the top end of the range, we derive our value of the SPV Shares with the following values for (a) and (b):

- (a) is equal to approximately HK\$13,369,973,297 which is the estimated value of all of the outstanding shares (calculated by multiplying the Cash Alternative of HK\$24.60 per H Share and/or RMB22.444794 per Unlisted Share (i) by the total number of (x) the 62,000,000 shares of registered and issued share capital of the Offeror, and (y) 64,692,792 shares deriving from 0.233108 shares in the Offeror's share capital for 1 Share to be cancelled multiplying 543,494,853 shares of the relevant securities of the Company in issue excluding the 265,971,569 Unlisted Shares of the Offeror divided by 4.289864016 Shares to be cancelled for 1 share in the Offeror's share capital (collectively, being 126,692,792 Shares), then (ii) by each 4.289864016 Shares to be cancelled for 1 share in the Offeror's share capital); and
- (b) is equal to approximately 8.0%,

the multiplication of the values above implies a total value of SPV Shares of approximately HK\$1,069,597,864. Based on the number of SPV Shares in issue of 43,479,588 deriving from Share Alternative Cap of 43,479,588, this implies a value per SPV Share of HK\$24.60 at the top end of the range.

At the bottom end of the range, we derive our value of the SPV Shares as follows:

Assuming a 30% discount of non-marketability of the SPV Shares, this implies a value per SPV Share of HK\$17.22 at the bottom end of the range.

	Assuming the maximum number of Shares to be exchanged for Rollover Securities pursuant to the election to receive the Share Alternative reach the Share Alternative Cap
(a) The value of all of the shares	<u>HK\$13,369,973,297</u>
(b) Rollover Entities' aggregate percentage of shareholding in the Company	<u>8.00%</u>
Total value of the New Shares issued by the Rollover Entities	<u>HK\$1,069,597,864</u>
Number of SPV Shares in issue	43,479,588
Top End Value Per SPV Share	HK\$24.60
Bottom end value per SPV Share (Assuming a 30% discount for non-marketability of the SPV Shares)	HK\$17.22

The scenario shown above where the Share Alternative is settled up to the Share Alternative Cap has an estimated value of HK\$24.60 at the top end of the range and an estimated value of

HK\$17.22 at the bottom end of the range. While it is not certain the population of the Shareholders which would elect the Cash Alternative or the Share Alternative, in any circumstances, where a proportion of the Shareholders elect either of the Cash Alternative or the Share Alternative, the Estimate of Value for each of the SPV Shares would remain the same at HK\$24.60 at the top end of the range, and an estimated value of HK\$17.22 at the bottom end of the range, except for the situation where 100% of the Shareholders elect the Cash Alternative, in which a valuation would be inapplicable as no SPV Share will be issued. For clarification purpose, the estimated price range of the SPV Shares reflects the estimated value of the Rollover Entities only and is not equivalent to the Cancellation Price.

In determining the Estimate of Value, we have not taken into account, among other things, any financial projections of the Company for the year ended 31 December, 2024 and beyond.

No account has been taken of any potential transaction costs that a holder of the Shares subject to the Merger may incur in regard to accepting the Merger, or in any attempted or actual sale of SPV Shares.

No account has been taken of any potential transaction costs that a holder of SPV Shares may incur, or any potential costs that might be associated with a sale of the Rollover Entities to a third party or a liquidation of the Rollover Entities, which might be expected to reduce any return to a holder of an SPV Share upon the occurrence of such an event.

We have produced the Estimate of Value using these methodologies and taken into account the information, factors, assumptions and limitations set out above.

ESTIMATE OF VALUE

On the basis of the above assumptions and methodology adopted by us and subject to the foregoing, the Estimate of Value as defined in this letter are within a range of between HK\$17.22 and HK\$24.60 for each SPV Share. This Estimate of Value does not represent a formal opinion by CICC of the value of a SPV Share or a Share.

Under the Share Alternative, each Shareholder is entitled to receive 0.233108 Shares in the Rollover Entities for each Share to be cancelled. This implies a value of approximately HK\$17.22 to HK\$24.60 for each Share, calculated as follows:

- i. At the bottom end of the range:
 - a. approximately HK\$17.22, the value per SPV Share at the bottom end of our value range.
- ii. At the top end of the range:
 - a. approximately HK\$24.60, the value per SPV Share at the top end of our value range.

GENERAL

CICC is acting as the lead financial adviser to the Offeror in relation to the Merger and not to anyone else in connection with the Merger. CICC will not be responsible to anyone other than the Offeror for providing advice in relation to the Merger, the contents of the Composite Document or any other matter referred to in the Composite Document.

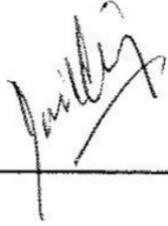
Shareholders are urged to read carefully all the information contained in the Composite Document.

The value of a SPV Share may be impacted by the factors described in this letter.

Further, in providing the Estimate of Value, CICC expresses no opinion or recommendation to any person as to whether they should vote in favour of the Merger or whether they should make any election to choose the Cash Alternative or the Share Alternative. Shareholders are recommended to seek their own independent financial advice. Further, CICC expresses no opinion as to the fairness of the amount of the Cash Alternative and/or the number and nature of shares comprised in the Share Alternative as referenced in the Merger.

Yours faithfully,

For and on behalf of
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

A handwritten signature in black ink, appearing to read 'David Ching', is written over a horizontal line.

Name: David CHING

Title: Executive Director