



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)

Executive Directors:

Mr. Zhao Hong (*Chief Executive Officer*)
Ms. Pan Rongrong (*Chief Financial Officer*
and *Company Secretary*)

Registered Office:

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Non-executive Directors:

Mr. Li Zhenfu (*Chairman*)
Dr. Daniel Luzius Vasella
Ms. Lin Shirley Yi-Hsien
Ms. Wang Haixia

Principal Place of Business in Hong Kong:

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

Independent Non-executive Directors:

Dr. Liu Guoen
Dr. Chen Ping
Mr. Gu Alex Yushao
Ms. Wendy Hayes

Company Secretary:

Ms. Pan Rongrong

24 May 2024

To the Shareholders

Dear Sir or Madam,

**(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**

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, 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.

Upon 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.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and in particular the Scheme, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix III of this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme

Under the Proposal, upon the fulfilment or waiver (as applicable) of the Conditions and the Scheme becomes effective, all of the Scheme Shares will be cancelled in exchange for the Cancellation Price of HK\$18.8 for every Scheme Share cancelled to be paid by the Offeror.

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.

Your attention is drawn to the section headed "2. Terms of the Proposal — The Scheme" in Part VII — Explanatory Memorandum of this Scheme Document.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Comparison of Value

Your attention is drawn to the section headed “2. Terms of the Proposal — Comparison of Value” in Part VII — Explanatory Memorandum of this Scheme Document.

Highest and Lowest Prices

Your attention is drawn to the section headed “2. Terms of the Proposal — Highest and Lowest Prices” in Part VII — Explanatory Memorandum of this Scheme Document.

Option Offer

The Offeror is making 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.

Your attention is drawn to the section headed “2. Terms of the Proposal — Option Offer” in Part VII — Explanatory Memorandum of this Scheme Document.

Settlement of the Option Offer Price to which any Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Optionholder.

Total Consideration and Financial Resources

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

Your attention is drawn to the section headed “2. Terms of the Proposal — Total Consideration and Financial Resources” in Part VII — Explanatory Memorandum of this Scheme Document.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the fulfilment or waiver (as applicable) of the Conditions set out in the section headed “3. Conditions of the Proposal” in Part VII — Explanatory Memorandum of this Scheme Document.

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders regardless of how (or whether) they voted at the Court Meeting or EGM.

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

Your attention is drawn to the section headed “4. Shareholding Structure of the Company” in Part VII — Explanatory Memorandum of this Scheme Document.

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 Latest Practicable Date) and (ii) Convergence will roll over the Shares held by it (being 11,979,690 Shares, representing approximately 1.90% of the issued share capital of the Company as at the Latest Practicable 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. Details of the Rollover Arrangements are set out in the section headed “5. Special Deal relating to Rollover Arrangements” in Part VII — Explanatory Memorandum of this Scheme Document.

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 has made 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 EGM to approve the Rollover Arrangements.

The Independent Financial Adviser has stated in the letter from the Independent Financial Adviser in Part VI of this Scheme Document that in its opinion, the Rollover Arrangements are fair and reasonable. If the Rollover Arrangements are not approved by the Disinterested Shareholders at the EGM, the Rollover Arrangements and the Scheme will not be implemented.

GL ROLLOVER AGREEMENT

Your attention is drawn to the section headed “6. GL Rollover Agreement” in Part VII — Explanatory Memorandum of this Scheme Document.

IRREVOCABLE UNDERTAKING

Your attention is drawn to the section headed “7. Irrevocable Undertaking” in Part VII — Explanatory Memorandum of this Scheme Document.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Dr. Liu Guoen, Dr. Chen Ping, Mr. Gu Alex Yushao and Ms. Wendy Hayes, has been established by the Board to make a recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser (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 EGM 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 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. In addition, Ms. Wang is a Director nominated by Bank of China Group Investment Limited, which is a limited partner of the GL Cayman Fund. As such, each of Mr. Li, Dr. Vasella, Ms. Lin and Ms. Wang do not form part of the Independent Board Committee.

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.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the terms of the Proposal, the Scheme and the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned, and the terms of the Option Offer are fair and reasonable so far as the Optionholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal, the Scheme and the Rollover Arrangements and the Optionholders to accept the Option Offer.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the terms of the Proposal, the Scheme and the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned, and the terms of the Option Offer are fair and reasonable so far as the Optionholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal, the Scheme and the Rollover Arrangements and the Optionholders to accept the Option Offer.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal, the Scheme, the Option Offer, and the Rollover Arrangements is set out in Part V of this Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “9. Reasons for and Benefits of the Proposal” in Part VII — Explanatory Memorandum of this Scheme Document.

THE OFFEROR’S INTENTIONS IN RELATION TO THE GROUP

Your attention is drawn to the section headed “10. The Offeror’s Intentions in relation to the Group” in Part VII — Explanatory Memorandum of this Scheme Document.

The Board is pleased to note that:

- (a) the Offeror intends to continue the existing business of the Group, which is principally engaged in developing and commercialising its portfolio with potential in its focused therapeutic areas including oncology and severe infection, via continued investments in research and development, license in and acquisition of innovative products;
- (b) no major changes are expected to be introduced in the existing principal business of the Group, including any major redeployment of the fixed assets of the Group;
- (c) the Offeror does not have any plan to make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the Proposal; and
- (d) the Offeror does not intend to continue the listing of the Company on the Stock Exchange.

INFORMATION ON THE COMPANY

Your attention is drawn to the section headed “11. Information on the Company” in Part VII — Explanatory Memorandum of this Scheme Document.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “12. Information on the Offeror” in Part VII — Explanatory Memorandum of this Scheme Document.

INFORMATION ON THE OFFEROR CONCERT PARTIES

Your attention is drawn to the section headed “13. Information on the Offeror Concert Parties” in Part VII — Explanatory Memorandum of this Scheme Document.

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “Actions to be Taken” set out in Part II of this Scheme Document.

THE MEETINGS

In accordance with the directions of the Grand Court, the Court Meeting will be held at 22/F, Central Plaza, 381 Middle Huaihai Road, Shanghai, PRC on Wednesday, 19 June 2024 at 10:00 a.m. The EGM will be held at 22/F, Central Plaza, 381 Middle Huaihai Road, Shanghai, PRC on Wednesday, 19 June 2024 at 10:30 a.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or been adjourned).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “16. Court Meeting and EGM” in Part VII — Explanatory Memorandum of this Scheme Document, Part II — Actions to be Taken of this Scheme Document, the notice of Court Meeting in Appendix IV of this Scheme Document and the notice of EGM in Appendix V of this Scheme Document.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the 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, with effect immediately from 4:00 p.m. on Friday, 5 July 2024 subject to 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.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company, and:

- (a) no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;

- (b) the listing of the Shares on the Stock Exchange will not be withdrawn; and
- (c) 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.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “19. Registration and Payment” in Part VII — Explanatory Memorandum of this Scheme Document.

OVERSEAS SHAREHOLDERS

Your attention is drawn to the section headed “20. Overseas Shareholders” in Part VII — Explanatory Memorandum of this Scheme Document.

TAXATION ADVICE

Your attention is drawn to the section headed “21. Taxation Advice” in Part VII — Explanatory Memorandum of this Scheme Document.

COSTS OF THE SCHEME

Your attention is drawn to the section headed “22. Costs of the Scheme” in Part VII — Explanatory Memorandum of this Scheme Document.

GENERAL

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, Ms. Wang is a Director nominated by Bank of China Group Investment Limited, which is a limited partner of the GL Cayman Fund. As such, each of Mr. Li, Dr. Vasella, Ms. Lin and Ms. Wang will abstain from voting, in any vote of the Board in relation to the Proposal, the Scheme and the Option Offer.

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), representing approximately 21.19% of the issued share capital of the Company as at the Latest Practicable Date. GL Trade will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the EGM.

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, representing approximately 9.82% of the issued share capital of the Company as at the Latest Practicable Date. GL Glee will not be able to vote on the Scheme at the Court Meeting nor the Rollover Arrangements at the EGM.

Mr. Zhao and Convergence hold an aggregate of 13,079,690 Shares, representing approximately 2.08% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Zhao and Convergence will not be able to vote on the Rollover Arrangements at the EGM, 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.

Ms. Pan holds 160,667 Shares, representing approximately 0.03% of the issued share capital of the Company as at the Latest Practicable Date. Ms. Pan will not be able to vote on the Rollover Arrangements at the EGM, 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.

The RSU Trustee holds 3,384,023 Shares, representing approximately 0.54% of the issued share capital of the Company as at the Latest Practicable Date. 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 resolutions to be proposed at the EGM (including as to the Rollover Arrangements), 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.

The Option Trustee holds 16,337,000 Shares, representing approximately 2.60% of the issued share capital of the Company as at the Latest Practicable Date. 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 resolutions to be proposed at the EGM (including as to the Rollover Arrangements), 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.

Ocean Falcon Limited holds 47,426,727 Shares, representing approximately 7.54% of the issued share capital of the Company as at the Latest Practicable Date. Ocean Falcon Limited will not be able to vote on the Rollover Arrangements at the EGM, and the vote of Ocean Falcon Limited 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.

Center Laboratories, Inc. holds 11,000,000 Shares, representing approximately 1.75% of the issued share capital of the Company as at the Latest Practicable Date. Center Laboratories, Inc. will not be able to vote on the Rollover Arrangements at the EGM, and the vote of Center Laboratories, Inc. 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 Directors (including members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in Part V of this Scheme Document) believe that the Proposal, the Scheme and the Option Offer are fair and reasonable and in the interests of the Shareholders as a whole.

RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal, the Scheme, the Option Offer and the Rollover Arrangements as set out in the letter from the Independent Board Committee in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal, the Scheme, the Option Offer and the Rollover Arrangements as set out in the letter from the Independent Financial Adviser in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal, the Scheme, the Option Offer and the Rollover Arrangements.

FURTHER INFORMATION

You are urged to read carefully:

- (a) the letter from the Independent Board Committee set out in Part V of this Scheme Document;
- (b) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document;
- (c) the Explanatory Memorandum set out in Part VII of this Scheme Document;
- (d) the appendices of this Scheme Document, including the Scheme set out in Appendix III of this Scheme Document;
- (e) the notice of Court Meeting set out in Appendix IV of this Scheme Document;
- (f) the notice of EGM set out in Appendix V of this Scheme Document;
- (g) the form of Option Offer Letter set out in Appendix VI of this Scheme Document;
- (h) the **PINK** form of proxy in respect of the Court Meeting as enclosed with this Scheme Document; and
- (i) the **WHITE** form of proxy in respect of the EGM as enclosed with this Scheme Document.

* *for identification purpose only*

On behalf of the Board
SciClone Pharmaceuticals (Holdings) Limited

A handwritten signature in black ink, appearing to be 'ZHAO Hong', written over a horizontal line.

ZHAO Hong
*Executive Director, Chief Executive Officer and
President*