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FOSUN PHARMA **复星医药**

上海復星醫藥(集團)股份有限公司
**Shanghai Fosun Pharmaceutical
(Group) Co., Ltd.***

*(a joint stock limited company incorporated in the
People's Republic of China with limited liability)*
(Stock Code: 02196)

**Shanghai Fosun New
Medicine Research Company Limited***

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



Shanghai Henlius Biotech, Inc.
上海復宏漢霖生物技術股份有限公司

*(a joint stock limited company incorporated in the
People's Republic of China with limited liability)*
(Stock Code: 02696)

JOINT ANNOUNCEMENT

DESPATCH OF COMPOSITE DOCUMENT IN RELATION TO THE PROPOSED PRIVATISATION OF HENLIUS BY FOSUN NEW MEDICINE BY WAY OF MERGER BY ABSORPTION OF HENLIUS



Lead Financial Adviser to the Offeror

FOSUN INTL CAPITAL

Joint Financial Adviser to the Offeror



Financial Adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

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

INTRODUCTION

References are made to (i) the initial joint announcement dated 24 June 2024 issued by the Offeror, Fosun Pharma and the Company in relation to, amongst others, the proposed privatisation of the Company by the Offeror by way of merger by absorption of the Company under PRC laws and the proposed withdrawal of listing of the Company; (ii) the joint announcement dated 15 July 2024 issued by the Offeror, Fosun Pharma and the Company in relation to the extension of time for despatch of the Composite Document; (iii) the joint announcement dated 14 August 2024 issued by the Offeror, Fosun Pharma and the Company in relation to the progress update on the Merger; (iv) the joint announcement dated 23 August 2024 issued by the Offeror, Fosun Pharma and the Company in relation to the revised proposal of the Merger, and particularly the Share Alternative; (v) the joint announcements respectively dated 23 September 2024, 23 October 2024 and 22 November 2024 issued by the Offeror, Fosun Pharma and the Company in relation to the progress update on the Merger; (vi) the joint announcement dated 16 December 2024 issued by the Offeror, Fosun Pharma and the Company in relation to the fulfilment of the Pre-Conditions; and (vii) the composite document dated 23 December 2024 jointly issued by the Offeror, Fosun Pharma and the Company (the “**Composite Document**”). Unless otherwise stated, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Composite Document.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) the expected timetable in respect of the Merger; (ii) a letter from the Board containing, among other things, further details of the Merger Agreement and the Supplemental Merger Agreement and other matters in relation to the Merger; (iii) recommendations and advice from the Independent Board Committee ; (iv) a letter of advice issued by the Independent Financial Adviser to the Independent Board Committee and the Independent H Shareholders; (v) the estimate of value of the Rollover Securities, together with a notice of the EGM, a notice of the H Shareholders’ Class Meeting, and the proxy forms in respect of the EGM and the H Shareholders’ Class Meeting, have been despatched to Shareholders on 23 December 2024 in accordance with the Takeovers Code.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, consisting of all of the independent non-executive Directors, being Mr. SO Tak Young, Dr. CHAN Lik Yuen, Dr. ZHAO Guoping and Dr. SONG Ruilin, has been established by the Board to make a recommendation to the Independent H Shareholders as to: (i) whether the terms of the Merger are fair and reasonable for the purpose of the Takeovers Code; (ii) whether to vote in favour of the Merger at the EGM and the H Shareholders’ Class Meeting; and (iii) election between the Cash Alternative and Share Alternative.

The Board, with the approval of the Independent Board Committee, has appointed Rainbow Capital (HK) Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Merger. The Independent Financial Adviser has advised the Independent Board

Committee that it considers that the terms of the Merger (including the Cancellation Price) are fair and reasonable so far as the Independent H Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Independent H Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and the H Shareholders' Class Meeting to approve and implement the Merger. The Independent Board Committee, having been so advised, considers that the terms of the Merger are fair and reasonable so far as the Independent H Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent H Shareholders to (i) vote in favour of the Merger at the EGM and the H Shareholders' Class Meeting and (ii) elect the Cash Alternative (except for any of them who are sophisticated investors and are particularly attracted by the background of the Offeror and the future prospects and profitability of the Group may consider taking the Share Alternative). The Independent H Shareholders are urged to read carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser as set out in their respective letters contained in the Composite Document.

THE EGM AND THE H SHAREHOLDERS' CLASS MEETING

The EGM and the H Shareholders' Class Meeting are scheduled to be held at 2:00 p.m. and 2:30 p.m. (or immediately following the conclusion or adjournment of the EGM), respectively, on Wednesday, 22 January 2025 at Conference Room, 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC. Both the EGM and the H Shareholders' Class Meeting will be held for the purposes of considering and, if thought fit, passing a special resolution, respectively, to approve and give effect to, amongst others, the Merger as contemplated under the Merger Agreement and the Supplemental Merger Agreement.

Notices of the EGM and the H Shareholders' Class Meeting are contained in the Composite Document. The Company and the Offeror will make an announcement in relation to the results of the EGM and the H Shareholders' Class Meeting by 7:00 p.m. on Wednesday, 22 January 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM and the H Shareholders' Class Meeting, the register of members of the Company will be closed from Friday, 17 January 2025 to Wednesday, 22 January 2025 (both dates inclusive) and during such period, no transfer of Shares will be effected.

In order to qualify to attend and vote at the EGM and the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong before 4:30 p.m. on Thursday, 16 January 2025.

A subsequent purchaser of Shares will need to obtain a proxy form from the transferor if he or she wishes to attend and/or vote at the EGM and the H Shareholders' Class Meeting.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made as and when appropriate. Unless otherwise expressly stated, all references to times and dates in this joint announcement refer to Hong Kong times and dates.

Latest time for lodging transfers of

H Shares in order to be entitled to attend and vote
at the EGM and the H Shareholders' Class Meeting 4:30 p.m. on
Thursday, 16 January 2025

Closure of registers for transfers of Shares for determination

of the Shareholders entitled to attend and vote at
the EGM and the H Shareholders' Class Meeting Friday, 17 January 2025 to
Wednesday, 22 January 2025
(both dates inclusive)

Latest time for lodging proxy forms in respect of the EGM 2:00 p.m. on
Tuesday, 21 January 2025

Latest time for lodging proxy forms in respect of

the H Shareholders' Class Meeting 2:30 p.m. on
Tuesday, 21 January 2025

Record date for Shareholders for the EGM and the H Shareholders

for the H Shareholders' Class Meeting Wednesday, 22 January 2025

EGM 2:00 p.m. on
Wednesday, 22 January 2025

H Shareholders' Class Meeting 2:30 p.m. on
Wednesday, 22 January 2025

or immediately following the conclusion of
the EGM or any adjournment thereof on
Wednesday, 22 January 2025

Announcement of the results of the EGM

and the H Shareholders' Class Meeting by 7:00 p.m. on
Wednesday, 22 January 2025

Expected date for all Conditions to effectiveness to be satisfied⁽¹⁾ Wednesday, 22 January 2025

Announcement of the satisfaction of all Conditions to effectiveness,

last day for dealings in H Shares on the Stock Exchange and
expected date of withdrawal of listing of H Shares⁽²⁾ Wednesday, 22 January 2025

Re-opening of the Company's register of members and resumption of registration of registers for transfer of Shares.....	Thursday, 23 January 2025
Each of the Offeror and the Company notifies its creditors and makes a public announcement of the Merger pursuant to the PRC Company Law.....	Within 10 days (for the notice to creditors) i.e. by Saturday, 1 February 2025 and 30 days (for the announcement) i.e. by Friday, 21 February 2025 following the EGM and the H Shareholders' Class Meeting
Last day for dealings in H Shares on the Stock Exchange	4:10 p.m. on Tuesday, 4 February 2025
Announcement that all the Conditions to implementation are satisfied (or waived, as applicable) ⁽²⁾	by 8:30 a.m. on Friday, 7 February 2025
Effective Date	Friday, 7 February 2025
Expected date and time of withdrawal of listing of H Shares	4:00 p.m. on Friday, 7 February 2025
Latest time for lodging the Election Form for election of the Cash Alternative or the Share Alternative and (if electing the Share Alternative) the Qualifying Shareholder Questionnaire ⁽³⁾	4:30 p.m. on Friday, 28 February 2025
Announcement stating whether the Share Alternative Cap is exceeded and whether the Pro Rata Downward Adjustment Mechanism is triggered.....	Friday, 28 February 2025
Latest time for lodging transfers of H Shares in order to be entitled to receive the Cancellation Consideration.....	4:30 p.m. on Friday, 28 February 2025
Closure of registers of members of the Company for H Shares ..	From Monday, 3 March 2025 onwards

Latest date for settlement of the Cash Alternative for Shareholders who have validly elected the Cash Alternative on or before the expiry of the Election Period⁽⁴⁾.... Within 7 business days after the later of (i) the Effective Date; and (ii) the date on which valid election for the Cash Alternative has been received by or on behalf of the Offeror

Latest date for settlement of Cash Alternative for Shareholders who have not made any election during the Election Period, or who have elected the Share Alternative within the Election Period but whose election is and remains invalid upon expiry of the Election Period..... Within 7 business days after the Election Period

Latest date for settlement of Cancellation Consideration for Qualifying Shareholders validly electing the Share Alternative and Shareholders electing the Share Alternative but whose election is found to be invalid or invalidated after the expiry of the Election Period⁽⁵⁾..... Within 42 business days after the Effective Date

End of the period during which creditors may request the Offeror and the Company to pay off their respective indebtedness or provide guarantees..... Within 30 days after the receipt of notice by creditors or 45 days after the issue of announcement to creditors (if the aforesaid notice has not been received by creditors (whichever is the latest))

Notes:

- (1) The Conditions to effectiveness shall be satisfied upon passing of the requisite resolutions at the EGM and the H Shareholders' Class meeting as set out in the section headed "3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT AND THE SUPPLEMENTAL MERGER AGREEMENT — Conditions to effectiveness*" in the "LETTER FROM THE BOARD" of the Composite Document.
- (2) The Offeror, Fosun Pharma and the Company will jointly publish announcement(s) when or as soon as reasonably practicable after all Conditions to effectiveness have been satisfied and the Conditions to implementation have been satisfied or waived, as appropriate.

- (3) The Election Form and (if applicable) the Qualifying Shareholder Questionnaire, duly completed in accordance with the instructions thereon, must be lodged (i) by the H Shareholders with the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong; and (ii) by the Unlisted Shareholders, to the Company’s Board secretary office (for holders of Unlisted Shares), at 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC, not later than the time and date stated above (or such later time and/or date as may be notified through announcement(s)), failing which the Election Form and (if applicable) the Qualifying Shareholder Questionnaire shall not be treated as valid and such Shareholders purporting to make the election shall not, for any purpose, be entitled to receive the Share Alternative but shall instead receive the Cash Alternative if the Merger becomes unconditional. Any election of Share Alternative by a Shareholder should also be accompanied by such additional evidence or documents as may be required by the Offeror, failing which such election shall not be valid and the Shareholder will instead receive the Cash Alternative if the Merger becomes unconditional.
- (4) Payment of Cancellation Price for settlement of the Cash Alternative will be made (i) with respect to H Shareholders, by way of cheques which will be sent by ordinary post at the risk of the persons entitled thereto; and (ii) with respect to Unlisted Shareholders, by way of bank remittance to the bank account with details as provided by Unlisted Shareholders, at their own risk. The Offeror shall pay the Cancellation Price to all Shareholders electing the Cash Alternative (other than Fosun Pharma Industrial Development and Fosun Industrial) (as described in the section headed “4. INFORMATION ON THE CASH ALTERNATIVE” in the “LETTER FROM THE BOARD” of the Composite Document).
- (5) The Offeror shall issue its registered capital to Fosun Pharma Industrial Development and Fosun Industrial and procure the Rollover Entities to issue the Rollover Securities to Share Alternative Holders (as described in the section headed “5. INFORMATION ON THE SHARE ALTERNATIVE” in the “LETTER FROM THE BOARD” of the Composite Document).

WARNING

The Conditions to effectiveness must be satisfied before the Merger Agreement and the Supplemental Merger Agreement becoming effective. The Merger Agreement and the Supplemental Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to implementation set out in the Composite Document being satisfied or waived, as applicable. Neither the Offeror, Fosun Pharma nor the Company provides any assurance that any or all Conditions can be satisfied, and thus the Merger Agreement and the Supplemental Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company.

Persons who are in doubt as to the action to take and the implications arising from the Merger should consult their stockbroker, bank manager, solicitor or other professional advisers (including tax adviser regarding the tax consequences of the cancellation of Shares and the implementation of the Merger).

By order of the board of directors of
**Shanghai Fosun New Medicine
Research Company Limited***
Guan Xiaohui
Director

By order of the Board
Shanghai Henlius Biotech, Inc.
Zhang Wenjie
Chairman

By order of the board of directors of
**Shanghai Fosun Pharmaceutical
(Group) Co., Ltd.***
Wu Yifang
Chairman

Shanghai, the PRC
23 December 2024

As at the date of this joint announcement, the Offeror's directors are Mr. Wu Yifang, Ms. Guan Xiaohui and Mr. Wen Deyong. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of Fosun Pharma comprises 12 directors, namely Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui and Mr. Wen Deyong as executive directors; Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Pan Donghui and Mr. Chen Yuqing as non-executive directors; and Ms. Li Ling, Mr. Tang Guliang, Mr. Wang Quandi and Mr. Yu Tze Shan Hailson as independent non-executive directors. The directors of Fosun Pharma jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises 11 Directors, namely Mr. Zhang Wenjie as the chairman and executive director, Dr. Zhu Jun as the executive director, Mr. Chen Qiyu, Mr. Wu Yifang, Ms. Guan Xiaohui, Mr. Wen Deyong and Dr. Wang Xingli as the non-executive directors, and Mr. So Tak Young, Dr. Chan Lik Yuen, Dr. Zhao Guoping and Dr. Song Ruilin as the independent non-executive directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Offeror and the Offeror Concert Parties who is not a member of the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

* For identification purposes only.