

TARGET

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**SHANGHAI HENLIUS BIOTECH INCORPORATED:
INVESTORS, WHO BOUGHT SHARES IN THIS COMPANY,
HAD BEEN WARNED !**

Shanghai Henlius Biotech Incorporated () (Code: 2696, Main Board, The Stock Exchange of Hongkong Ltd), a Joint Stock Company, incorporated in the **P**eople's **R**epublic of China (**PRC**), has had a loss-making history of nine years, thus far.

It was founded by Dr Scott Liu Shi Kau and Dr Jiang Wei Dong.

The Company pitched a Global Offering of 64,695,400 '*H*' Shares on Thursday, September 12, 2019.

The '*H*' Shares was Offered at the Indicative Offer Price Per Share, ranging from a low of \$HK49.60, rising to a high of \$HK57.80.

In the section of the 689-Page, Global Offering Prospectus, labelled, '**RISK FACTORS**', prospective investors were warned:

'We have incurred significant losses in each period since our inception and anticipate

that we will continue to incur losses in the future and may never achieve or maintain profitability. Investors are at risk of losing substantially all of their investments in our H Shares.’ (Page 31)

‘We had negative cash flow from operating activities throughout the Track Record Period and we will likely need substantial additional funding for our drug development programmes and commercialisation efforts, which may not be available on acceptable terms, or at all.’ (Page 33)

‘We cannot assure you that the H Shares will remain listed on the Stock Exchange.’
(The Stock Exchange of Hongkong Ltd) (Page 85)

Despite the above warnings – as well as prospective investors, being apprised of numerous other negative aspects of the business of the Company – on Tuesday, September 24, 2019, the coffers of Shanghai Henlius Biotech Incorporated were enriched by about \$HK3,096,300,000 due to the success of **Initial Public Offering (IPO)** on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the PRC.

Shanghai Henlius Biotech Incorporated is a spin-off of Fosun International Ltd () (Code: 656, Main Board, The Stock Exchange of Hongkong Ltd) and Shanghai Fosun Pharmaceutical (Group) Company Ltd ([]) (Code: 2196, Main Board, The Stock Exchange of Hongkong Ltd).

The Issued Share Capital of Shanghai Fosun Pharmaceutical (Group) Company Ltd is held as to 37.87 percent by Fosun International Ltd.

Fosun International Ltd is deemed to have a beneficial equity interest in Shanghai Henlius Biotech Incorporated, amounting to 49.33 percent, via Shanghai Fosun New Medicine Research Company Ltd (), a company, incorporated in the PRC, the entire Issued Share Capital of which is wholly owned by Fosun International Ltd.

The IPO Of Shanghai Henlius Biotech Incorporated

On Thursday, September 12, 2019, Shanghai Henlius Biotech Incorporated published and disseminated a Global Offering Prospectus in the HKSAR.

The Company Offered 64,695,400, one **renminbi (RMB)** ‘H’ Shares at the Indicative Offer Price Per Share range of a low of \$HK49.60 to a high of \$HK57.80.

Investors of the HKSAR were Offered 6,469,600 ‘H’ Shares and International Investors were Offered the opportunity to subscribe to 58,225,800 ‘H’ Shares.

On Tuesday, September 24, 2019, Management of Shanghai Henlius Biotech Incorporated announced that the Offer Price Per Share had been struck at the lowest level of the Indicative Offer Price Per Share: \$HK49.60.

The Announcement of the Offer Price and Allotment Results stated that the net proceeds of the Global Offering were anticipated to be about \$HK3,096,300,000.00.

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