



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD¹¹⁴ OF 2024 (JAJ)

IN THE MATTER OF SECTIONS 14 TO 16 AND 86 OF THE COMPANIES ACT (2023 REVISION)

AND

IN THE MATTER OF SCICLONE PHARMACEUTICALS (HOLDINGS) LIMITED

PETITION

To the Grand Court

This humble petition of SciClone Pharmaceuticals (Holdings) Limited 賽生藥業控股有限公司 (the "**Company**"), of PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, shows that:

INTRODUCTION

1 The object of this Petition is to seek:

- 1.1 the sanction of the Court pursuant to section 86 of the Companies Act (2023 Revision) (the "**Companies Act**") to a proposed scheme of arrangement (the "**Scheme**")

This PETITION is filed by Maples and Calder (Cayman) LLP, Attorneys-at-Law for the Company, whose address for service is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. (JSE/JPT/NDS/772502)

between the Company and the Scheme Shareholders, as defined in the Scheme and as set out in paragraph 12 below; and

1.2 the confirmation of the Court, pursuant to section 16 of the Companies Act, of the intended resolution of the Company's shareholders to reduce the Company's share capital to give effect to the Scheme, which is intended to be passed by the Company's shareholders as a special resolution as further set out at paragraph 24 below.

2 A copy of the Scheme will be exhibited to an affirmation made by a director or authorised representative of the Company, which will be filed with this Honourable Court.

INCORPORATION, OBJECTS AND SHARE CAPITAL OF THE COMPANY

3 The Company was incorporated in the Cayman Islands under the Companies Act on 13 May 2020 as an exempted company with limited liability (registration number 362686).

4 The Company's registered office is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's head office is at 3401A, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong.

5 The objects of the Company are unrestricted, as stated in its Amended and Restated Memorandum and Second Amended and Restated Articles of Association (dated 25 May 2023). The Company is part of a group of companies (the "**Group**") based in the People's Republic of China principally engaged in developing and commercialising a portfolio of biopharmaceutical products in focused areas including oncology and severe infection.

6 The shares of the Company have been listed on the main board of the Stock Exchange of Hong Kong ("**SEHK**") since 3 March 2021, with Stock Code 6600.

7 As at the date of this Petition the authorised share capital of the Company is US\$50,000 divided into 1,000,000,000 shares of a nominal or par value of US\$0.00005 each (the

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"Shares", and each a "Share"). As at 8 April 2024, the Company has 627,748,232 shares in issue.

SHARES AND SHAREHOLDER PROFILE

8 The profile of the Company's shareholders, as at 28 March 2024 unless a different date is specified below, is as follows:

- 8.1 GL Trade Investment L.P. ("**GL Trade**"), an exempted limited partnership registered in Canada, holds 133,318,370 Shares (approximately 21.24% of the Company's issued shares). Its shares are held through a member of the China International Capital Corporation Hong Kong Securities Limited ("**CICC**") group, which is an exempt principal trader acting as a custodian.
- 8.2 GL Glee Investment Limited ("**GL Glee**"), a limited liability company incorporated in the Cayman Islands, holds 61,785,690 Shares (approximately 9.84% of the Company's issued shares). Its shares are held through a member of the CICC group.
- 8.3 Mr Zhao Hong, an executive director of the Company, holds 500,000 Shares (approximately 0.08% of the Company's issued shares). Mr Zhao also holds Share Options (defined in paragraph 9 below).
- 8.4 Convergence International Holdings Ltd. ("**Convergence**") holds 11,979,690 Shares (approximately 1.91% of the Company's issued shares). Convergence is wholly owned by a limited partnership in which Mr Zhao has a partnership interest indirectly through certain non-wholly owned entities.
- 8.5 Ms Pan Rongrong, an executive director of the Company, holds 45,667 Shares (approximately 0.01% of the Company's issued shares). Ms Pan also holds Share Options.

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- 8.6 SCLN ESOP Management Limited (the "**RSU Trustee**") holds 5,510,463 Shares (approximately 0.88% of the Company's issued shares), for the purpose of satisfying existing and future share awards granted or to be granted to directors and employees of the Group.
- 8.7 SciClone Option Management Limited (the "**Option Trustee**"), as at 8 April 2024, holds 16,591,000 Shares (approximately 2.64% of the Company's issued shares), for the purpose of transferring those Shares to holders of Share Options upon the exercise of those Share Options.
- 8.8 Ocean Falcon Limited, a limited company incorporated in Hong Kong, holds 47,426,727 Shares (approximately 7.56% of the Company's issued shares).
- 8.9 The remaining Shares, representing approximately 55.84% of the Company's issued shares, are held by other shareholders. As at 31 March 2024, 2024, 615,535,901 of these are held by HKSCC Nominees Limited ("**HKSCC Nominees**"), a company incorporated in Hong Kong, which acts as a common nominee in respect of securities held through the Central Clearing and Settlement System depository in Hong Kong ("**CCASS**") and takes its instructions from persons admitted to participate in CCASS. It is not known how many entities have beneficial interests in the Shares registered in HKSCC Nominees' name.
- 9 The Company also has, as at 8 April 2024, a total of 70,110,072 share options in issue ("**Share Options**"). These comprise 37,003,642 vested Share Options entitling the holders to receive existing or new Shares under an applicable option incentive plan; and 33,106,430 Share Options (16,591,000 of which are vested) entitling the holders to subscribe for new shares under a Post-IPO share option plan. The Company will not grant any further Share Options before the longstop date of the Scheme or the lapse, withdrawal or termination of the Scheme (whichever occurs first).

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- 10 Other than the Shares and the Share Options and RSU awards referred to above, the Company has no outstanding securities or other instruments that are convertible or exchangeable into Shares.
- 11 As at the date of this petition, the Offeror (as defined in paragraph 14 below) does not hold any Shares or Share Options in the Company.

SECURITIES SUBJECT TO THE SCHEME

- 12 The Scheme relates to the "**Scheme Shares**" only. The Scheme Shares comprise the Shares other than the "**Rollover Shares**". The Rollover Shares are the Shares held by Convergence, GL Trade, GL Glee, and 2,001,113 of the Shares held by the RSU Trustee, comprising an aggregate of 209,084,863 Shares (representing approximately 33.31% of the issued share capital of the Company as at 8 April 2024). The holders of the Scheme Shares are referred to in this Petition and in the Scheme as the "**Scheme Shareholders**".
- 13 The Scheme does not relate to the Share Options. Conditional upon the Scheme becoming effective, the Offeror will make, or procure to be made on its behalf, an appropriate offer to the holders of the Share Options to cancel all vested and unvested Subject Share Options (being the 20,412,842 Share Options granted under an applicable option incentive plan entitling the holders to subscribe for 20,412,842 new shares and all the 33,106,430 Share Options granted under a post-IPO option plan entitling the holders to subscribe for 33,106,430 new shares).

OBJECTS AND MECHANICS OF THE SCHEME

- 14 The object of the Scheme is to privatise the Company and for the Company to become wholly owned by Silver Pegasus Investment Limited (the "**Offeror**"), a private company incorporated in the Cayman Islands with limited liability. This would be achieved by:

14.1 pursuant to the Scheme, the Company:

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- (a) cancelling and extinguishing all the Scheme Shares; and
- (b) contemporaneously with such cancellation and extinguishment issuing an equal number of Shares as the number of Scheme Shares that were cancelled and extinguished to the Offeror, and applying the reserve created in its books of account as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par the Shares newly issued to the Offeror; and

14.2 the Rollover Shares being transferred to the Offeror in consideration for an aggregate of 209,084,863 shares to be issued by Silver Pegasus Holding Limited (which wholly owns the Offeror) to the Rollover Shareholders credited as fully paid at the Cancellation Price (defined below).

- 15 In consideration for the cancellation and extinguishment of the Scheme Shares, each Scheme Shareholder will receive from the Offeror HK\$18.8 (the "**Cancellation Price**") for every Scheme Share held.
- 16 Upon the Scheme being sanctioned, the listing of the Shares of the Company on the SEHK will be withdrawn.
- 17 The Offeror will give an undertaking to the Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to the Scheme.

AFFECTED SHAREHOLDERS

- 18 The Scheme affects a single class of shareholders of the Company, namely the Scheme Shareholders.

COURT MEETING

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19 It is intended that a single meeting of the Scheme Shareholders be convened for the purpose of allowing such holders to consider and, if they think fit, approve (with or without modification) the Scheme (the "**Court Meeting**").

20 The resolution intended to be submitted at the Court Meeting is:

"THAT this Court Meeting approves, with or without modification, the proposed Scheme of Arrangement, a copy of which has been submitted to this Court Meeting and, for the purpose of identification, signed by the chairperson of this Court Meeting."

21 It is intended that:

21.1 Each holder of Scheme Shares (other than HKSCC Nominees) that votes at the Court Meeting, whether in person or by proxy, is entitled to vote either "for" or "against" the Scheme, but not both "for" and "against" the Scheme.

21.2 HKSCC Nominees is entitled to vote Scheme Shares both "for" and "against" the Scheme, based on the instructions of the CCASS Participants that instruct HKSCC Nominees to vote on their behalf.

22 The Rollover Shares, not being Scheme Shares, will not be voted at the Court Meeting. Further, certain holders of the Scheme Shares, namely the Option Trustee and the RSU Trustee, are contractually prevented from voting at the Court Meeting.

CAPITAL REDUCTION

23 Article 10.2 of the Company's Second Amended and Restated Articles of Association (as adopted by special resolution passed on 25 May 2023) provide the Company may, by special resolution, reduce its share capital in any manner authorised and subject to any conditions prescribed by the Companies Act.

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- 24 The Company intends to convene an extraordinary general meeting ("**EGM**") to take place as soon as practicable after the Court Meeting. The special resolution relating to the capital reduction and relating to the immediate increase in share capital thereafter intended to be submitted to the EGM are as follows:

"SPECIAL RESOLUTION:

"THAT, (i) for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme Document) (the "Scheme") as set out in the composite scheme document dated [●] 2024 (the "Scheme Document") and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting (as defined in the Scheme Document), on the Effective Date (as defined in the Scheme Document), any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme Document), and (ii) contemporaneously with (i) above, the maintenance of 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 defined in the Scheme Document) 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 (as defined in the Scheme Document), be and is hereby approved."

- 25 The reduction of the Company's share capital intended to be effected by the said special resolution would neither involve the diminution of liability in respect of any unpaid share capital nor the payment to any shareholder of any paid up capital. Such a capital reduction is for a discernible purpose and its terms and effect will be properly explained to the Company's shareholders in sufficient time prior to the EGM to ensure those shareholders are treated equitably.

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- 26 The form of minute proposed to be registered with the Cayman Islands Companies Registrar is as follows:

"The issued share capital of SciClone Pharmaceuticals (Holdings) Limited (the "Company") was by virtue of a special resolution of the Company dated [●] (the "Special Resolution") and with the confirmation of an order of the Grand Court of the Cayman Islands dated [●] (the "Order") reduced (from HK\$[31,387.4116] divided into [627,748,232] shares of HK\$0.00005 each to [HK\$10,454.2432] divided into [209,084,863] shares of HK\$0.00005 each). The Special Resolution further provides that contemporaneously with such reduction of capital taking effect, the issued share capital of the Company be increased to its former amount (of HK\$[31,387.4116] divided into [627,748,232] shares of HK\$0.00005 each).

"By virtue of a Scheme of Arrangement sanctioned by an order of the Grand Court of the Cayman Islands dated [●], the Order and the Special Resolution, the issued share capital of the Company at the time of the registration of this minute is accordingly HK\$[31,384.4346] divided into [627,688,692] shares of HK\$0.00005 each."

ORDERS AND DIRECTIONS

- 27 The Company intends to make an application for, among other things, orders and directions:
- 27.1 that the relevant classes of shareholders of the Company affected by the Scheme are those referred to in paragraph 18 above;
- 27.2 that the Company be at liberty to convene the Court Meeting referred to at paragraph 19 above;

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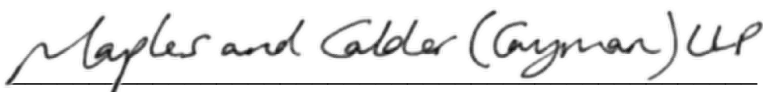
27.3 as to the delivery of a scheme document (which includes an explanatory statement and notice of the Court Meeting) to the Scheme Shareholders and that a record date be set for the purposes of dispatch and for the purposes of voting at the Court Meeting; and

27.4 as to the appointment of a chairperson of the Court Meeting, and for directions that they report the results thereof to the Court.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (1) The Scheme may be sanctioned by the Court so as to be binding on each party thereto in accordance with its terms.
- (2) The reduction of the share capital of the Company proposed to be effected by the special resolution set out at paragraph 24 above be confirmed and that the appropriate form of minute set out at paragraph 26 above be approved by the Court, which prayer is to be moved following the EGM only.
- (3) To this end, all necessary inquiries may be made and directions may be made and given.
- (4) Such further or other relief may be granted as the Court sees fit.

Dated the 10th day of April 2024



Maples and Calder (Cayman) LLP

Attorneys-at-Law for the Company

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Note: It is not intended that this Petition be served on anyone other than the Company at its registered office at Maples Corporate Services limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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