

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Offer Price and Net Proceeds from the Global Offering

The Offer Price has been determined at HK\$13.70 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%).

Based on the Offer Price of HK\$13.70 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees, commissions and estimated expenses payable by the Company in connection with the Global Offering and assuming the Over-allotment Option is not exercised, is estimated to be approximately HK\$3,392.4 million. The Company intends to apply such net proceeds in accordance with the purposes as set out in the section headed “Offer Price and Net Proceeds from the Global Offering” in this announcement.

Based on the Offer Price of HK\$13.70, if the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$516.7 million for 39,085,000 additional Offer Shares to be sold and transferred upon the exercise of the Over-allotment Option.

Applications under the Hong Kong Public Offering

The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. A total of 362,035 valid applications have been received pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and under the **White Form eIPO** service (www.eipo.com.hk) for a total of 15,360,446,000 Hong Kong Offer Shares, representing approximately 589.47 times of the total number of 26,058,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering. The total number of successful applicants under the Hong Kong Public Offering is 67,978.

As the over-subscription in the Hong Kong Public Offering is more than 100 times, the reallocation procedures as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation” in the Prospectus have been applied. A total number of 104,227,000 Offer Shares have been reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the final number of Offer Shares available under the Hong Kong Public Offering has been increased to 130,285,000 Offer Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

International Offering

The Offer Shares initially offered under the International Offering have been over-subscribed by approximately 23 times. Taking into account the reallocation of 104,227,000 Offer Shares from the International Offering to the Hong Kong Public Offering, the final number of Offer Shares under the International Offering is 130,284,000 Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). A total number of 246 placees have been allocated Offer Shares under the International Offering.

Cornerstone Investors

Based on the Offer Price of HK\$13.70 per Offer Share, pursuant to the cornerstone investment agreements, the Cornerstone Investors have subscribed for a total of 107,481,000 Offer Shares, representing in aggregate (a) approximately 4.12% of the issued share capital of the Company immediately upon completion of the Global Offering and (b) approximately 41.25% of the number of Offer Shares under the Global Offering, in each case assuming the Over-allotment Option is not exercised. Please refer to the section headed “Cornerstone Investors” in the Prospectus for further details of the Cornerstone Investors.

Placing of Offer Shares to close associates of existing Shareholders

Under the International Offering, a total number of 8,255,000 Offer Shares were allocated to certain close associates of existing Shareholders of the Company, representing approximately (i) 3.17% of the Offer Shares under the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) 0.32% of the total issued share capital of the Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, a waiver from strict compliance with the requirements of Rule 10.04 of the Listing Rules and a consent under paragraph 5(2) of the Placing Guidelines to permit the Company to allocate Shares to each of Pramerica Fosun Life Insurance Co., Ltd, Peak Reinsurance Company Limited, SeaTown Master Fund and TBP Investment Advisory (HK) Limited as placees under the placing tranche of the Global Offering.

Placing of Offer Shares with consent under the Placing Guidelines

Under the International Offering, 3,250,000 Offer Shares, representing approximately 1.25% of the Offer Shares initially available under the Global Offering (before the exercise of the Over-allotment Option), were placed to UBS Asset Management (Singapore) Limited (“**UBS AM (Singapore)**”), a connected client of UBS AG Hong Kong Branch within the meaning of the Placing Guidelines, as a placee.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to UBS AM (Singapore) as a placee. The Offer Shares placed to UBS AM (Singapore) are held on behalf of independent third parties and are in compliance with all the conditions under the consent granted by the Stock Exchange.

Save as disclosed in the paragraphs headed “Placing of Offer Shares to close associates of existing Shareholders” and “Placing of Offer Shares with consent under the Placing Guidelines” in this announcement, and pursuant to the cornerstone investment agreements, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters under the Global Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company or any connected clients (as set out in paragraph 5(1) of the Placing Guidelines), or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees. The Directors confirm that, to the best of their knowledge, no placee, individually, will hold more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering (assuming that the Over-allotment Option is not exercised).

The Directors confirm that, to the best of their knowledge, save as the the placees which are close associates of existing Shareholders, namely, Pramerica Fosun Life Insurance Co., Ltd, Peak Reinsurance Company Limited, SeaTown Master Fund and TBP Investment Advisory (HK) Limited (please refer to the paragraph headed “Placing of Offer Shares to close associates of existing Shareholders”), none of the Offer Shares subscribed by the placees or public has been financed directly or indirectly by any of the Directors, chief executives, Controlling Shareholders, substantial Shareholders, or existing Shareholders of the Company or any of its subsidiaries or any of their respective close associates, and none of the placees or the public who has subscribed for the Offer Shares is accustomed to taking instructions from any of the Directors, chief executives, Controlling Shareholders, substantial Shareholders, or existing Shareholders of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it.

Over-allotment Option

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters, at any time from the Listing Date until Wednesday, November 18, 2020, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 39,085,000 additional Offer Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocations in the International Offering. There has been an over-allocation of 39,085,000 Shares in the International Offering and such over-allocation will be settled using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market, exercising the Over-allotment Option in full or in part or through deferred settlement, or by a combination of these means. If the Over-allotment Option is exercised, an announcement will be made in accordance with the Listing Rules. As at the date of this announcement, the Over-allotment Option has not been exercised.

LOCK-UP UNDERTAKINGS

The Company, the Controlling Shareholders (including the Warranting Shareholders) and all other existing Shareholders and the Cornerstone Investors are subject to certain lock-up undertakings as set out in the paragraph headed “Lock-up Undertakings” in this announcement.

Results of Allocations

The final Offer Price and the level of indications of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are also published on Friday, October 23, 2020 on the Company's website at www.simcere.com and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC or through the designated **White Form eIPO** service, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of the Hong Kong Offer Shares successfully applied for, will be made available at the times and dates and in the manner specified below:

- in this announcement posted on the Company's website at www.simcere.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Friday, October 23, 2020;
- from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <http://www.eipo.com.hk/en/Allotment>; Chinese <http://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, October 23, 2020 to 12:00 midnight on Thursday, October 29, 2020;
- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Friday, October 23, 2020 and from Tuesday, October 27, 2020 to Thursday, October 29 2020;
- in the special allocation results booklets which will be available for inspection during opening hours on Friday, October 23, 2020, Saturday, October 24, 2020 and Tuesday, October 27, 2020 at all the receiving bank's designated branches.

Dispatch/Collection of Share Certificates and Refund Monies

Applicants who apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by their **WHITE** Application Forms and applicants who have applied for 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service by submitting an electronic application through the designated website www.eipo.com.hk and their application is wholly or partially successful, may collect their refund check(s) and/or share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, October 23, 2020, or such other date as notified by the Company on the Company's website at www.simcere.com and the website of the Stock Exchange at www.hkexnews.hk. If such applicants do not collect their refund check(s) and/or share certificate(s) personally within the time specified for collection, they will be dispatched promptly to the address specified in their Application Forms by ordinary post at their own risk.

Applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and have provided all information required by their **WHITE** Application Forms and applicants who have applied for less than 1,000,000 Hong Kong Offer Shares through the **White Form eIPO** service by submitting an electronic application through the designated website www.eipo.com.hk and their application is wholly or partially successful, will have their refund check(s) and/or share certificate(s) sent to their address on the relevant Application Form on or before Friday, October 23, 2020, by ordinary post and at their own risk. For applicants using the **White Form eIPO** service and who have paid the application monies from a single bank account, any refund monies will be dispatched to that bank account in the form of e-Refund payment instructions. For applicants using the **White Form eIPO** service and who have paid the application monies from multiple bank accounts, any refund monies will be dispatched to the address as specified in their application instructions in the form of refund check(s) by ordinary post at their own risk.

Wholly or partially successful applicants using a **YELLOW** Application Form or who gave **electronic application instructions** to HKSCC will have their share certificate(s) issued in the name of HKSCC Nominees and deposited into CCASS for credit to their designated CCASS Participant's stock account or their CCASS Investor Participant stock account as stated in their applications on Friday, October 23, 2020, or, on any other date determined by HKSCC or HKSCC Nominees.

Wholly or partially unsuccessful applicants who have applied for 1,000,000 or more Hong Kong Offer Shares under **YELLOW** Application Forms may collect their refund check(s) from the Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, October 23, 2020, or such other date as notified by the Company on the Company's website at www.simcere.com and the website of the Stock Exchange at www.hkexnews.hk. If such applicants do not collect their refund check(s) personally within the time specified for collection, they will be dispatched promptly to the address specified in their Application Form by ordinary post at their own risk.

Wholly or partially unsuccessful applicants who have applied for less than 1,000,000 Hong Kong Offer Shares under **YELLOW** Application Forms will have their refund check(s) sent to the address on the relevant Application Form on or before Friday, October 23, 2020, by ordinary post and at their own risk.

Refund of application monies in respect of wholly or partially unsuccessful applications who gave **electronic application instructions** to HKSCC will be credited to their designated bank account or the designated bank account of their broker or custodian on Friday, October 23, 2020.

Public Float

We have applied to the Stock Exchange, and the Stock Exchange has granted us, a waiver from strict compliance with the requirement under Rule 8.08(1)(a) of the Listing Rules to accept a lower public float percentage of 15.35% of our total issued share capital. Please refer to the section headed “Waivers from Strict Compliance with the Listing Rules – Waiver in Relation to Public Float Requirements” in the Prospectus for further details.

The Directors confirm that (a) there will not be any new substantial Shareholder immediately after the Global Offering within the meaning of the Listing Rules, (b) the three largest public Shareholders do not hold more than 50% of the shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules, and (c) there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

Shareholding Concentration Analysis

We set out a shareholding concentration analysis based on the allotment results under the Global Offering. Please refer to the section headed “Shareholding Concentration Analysis” of this announcement for further details.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

Commencement of Dealings in the Shares

No temporary document of title will be issued in respect of the Offer Shares. No receipt will be issued for sums paid on application. Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. in Hong Kong on Tuesday, October 27, 2020, provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting – Underwriting Arrangements – Hong Kong Public Offering – Grounds for Termination” in the Prospectus has not been exercised.

Assuming that the Global Offering becomes unconditional in all aspects at 8:00 a.m. in Hong Kong on Tuesday, October 27, 2020, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. in Hong Kong on Tuesday, October 27, 2020. The Shares will be traded in board lots of 1,000 Shares each under the Company’s stock code 2096.

OFFER PRICE AND NET PROCEEDS FROM THE GLOBAL OFFERING

The Offer Price has been determined at HK\$13.70 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Offer Price of HK\$13.70 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees, commissions and estimated expenses payable by the Company in connection with the Global Offering and assuming the Over-allotment Option is not exercised, is estimated to be approximately HK\$3,392.4 million. The Company intends to apply the proceeds from the Global Offering as follows:

- approximately 60% (or HK\$2,035.4 million) will be allocated to the continued research and development of our selected product candidates in our strategically focused therapeutic areas as follows:

- approximately 45% (or HK\$1,526.6 million) will be used for the continued research and development of our selected oncology product candidates, consisting of:

- (1) approximately 19% (or HK\$644.6 million) for our selected oncology product candidates that are currently at clinical stages or pending initiation of clinical trials, as illustrated in the table below:

Product candidate	Status	Estimated amount of net proceeds allocated (approximately HK\$ in millions)
Bevacizumab biosimilar	Pivotal registrational trials	81.4
Sevacizumab (Humanized anti-VEGF monoclonal antibody for injection)	Phase I clinical trials	122.1
PEG-ENDO (Pegylated recombinant human endostatin for injection)	Phase Ib clinical trials	101.8
CD19 CAR T-cell therapy (Indication 1)	Phase I clinical trials	98.4
CD19 CAR T-cell therapy (Indication 2)	IND approval obtained	91.6
BCMA CAR T-cell therapy	IND approval obtained	84.8
SIM-201	IND approval obtained	64.5

- (2) approximately 26% (or HK\$882.0 million) for other selected innovative oncology product candidates that are currently pending IND approval or at pre-clinical stages, including SIM-200, SIM-203-1, SIM-203-2, SIM-203-3, SIM-235, SIM-236, SIM-237, SIM-323, SIM-325, subcutaneous PD-L1 single domain antibody combination therapy-1 and subcutaneous PD-L1 single domain antibody combination therapy-2;

- approximately 11% (or HK\$373.2 million) will be used for the continued research and development of our selected central nervous system product candidates, consisting of:

- (1) approximately 3% (or HK\$101.8 million) for Y-2 sublingual tablets, which are currently undergoing phase I clinical trials; and

- (2) approximately 8% (or HK\$271.4 million) for other selected innovative central nervous system product candidates that are currently in preparation for IND application or at pre-clinical stage;

- approximately 4% (or HK\$135.7 million) will be used for the continued research and development of our selected autoimmune product candidates, consisting of:

- (1) approximately 1% (or HK\$33.9 million) for SIM-335, which is currently pending initiation of clinical trials; and

- (2) approximately 3% (or HK\$101.8 million) for other selected innovative autoimmune product candidates that are currently in preparation for IND applications;

- approximately 10% (or HK\$339.2 million) will be allocated to the reinforcement of our sales and marketing capabilities, including (i) approximately 6% (or HK\$203.5 million) for recruitment of around 3,000 additional sales and marketing personnel with extensive knowledge and/or experience in pharmaceutical industry over three years to increase our coverage of medical institutions. These additional sales and marketing personnel will be mainly responsible for the promotion of our newly-launched and near-commercial products through various academic marketing activities to hospitals and other medical institutions across China; (ii) approximately 2% (or HK\$67.8 million) for provision of in-house and external training to our sales and marketing personnel to enhance their knowledge about our products and professional skills; and (iii) approximately 2% (or HK\$67.8 million) for academic marketing efforts to enhance healthcare professionals' knowledge about the newly-launched and near-commercial products in our product portfolio;
- approximately 10% (or HK\$339.2 million) will be allocated to our investment in companies in the pharmaceutical or biotechnology sector in the next a few years, with a view to broadening our product portfolio. We intend to consider both domestic and overseas companies with commercialized products or product candidates under development in our strategically focused therapeutic areas (namely, oncology (including cell therapy), central nervous system diseases and autoimmune diseases) which have significant commercial value and the potential to address unmet medical needs. We may consider acquisitions or minority investments when appropriate opportunities arise. As of the Latest Practicable Date, we had not entered into any letters of intent or agreements with respect to investments and had not identified any definite investment targets;
- approximately 10% (or HK\$339.2 million) will be allocated to repayment of certain of our outstanding bank loans as illustrated in the table below; and

Lender	Nature	Outstanding principal amount as of the Latest Practicable Date	Interest rate (per annum)	Maturity
Bank A	Short-term loan	RMB200 million	4.35%	December 1, 2020
Bank B	Short-term loan	RMB200 million	4.35%	January 7, 2021
Bank C	Long-term loan	RMB196.8 million	4.28%	April 27, 2021

- approximately 10% (or HK\$339.2 million) will be used for working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$516.7 million for 39,085,000 additional Offer Shares to be sold and transferred upon the exercise of the Over-allotment Option.

For details of the use of proceeds, see the section headed “Future Plans and Use of Proceeds” in the Prospectus.

APPLICATIONS UNDER THE HONG KONG PUBLIC OFFERING

The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. A total of 362,035 valid applications have been received pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and under the **White Form eIPO** service (www.eipo.com.hk) for a total of 15,360,446,000 Hong Kong Offer Shares, representing approximately 589.47 times of the total number of 26,058,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.

Of the 362,035 valid applications on **WHITE** and **YELLOW** Application Forms or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service at www.eipo.com.hk and by **electronic application instructions** given to HKSCC for a total of 15,360,446,000 Hong Kong Offer Shares, a total of 349,525 valid applications in respect of a total of 4,955,498,000 Hong Kong Offer Shares were for Hong Kong Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$13.70 per Offer Share (excluding the brokerage, SFC transaction levy and the Stock Exchange trading fee) of HK\$5 million or less (representing approximately 380.34 times of the 13,029,000 Hong Kong Offer Shares initially comprised in pool A), and a total of 12,510 valid applications in respect of a total of 10,404,948,000 Hong Kong Offer Shares were for Hong Kong Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$13.70 per Offer Share (excluding the brokerage, SFC transaction levy and the Stock Exchange trading fee) of more than HK\$5 million (representing approximately 798.60 times of the 13,029,000 Hong Kong Offer Shares initially comprised in pool B). The total number of successful applicants under the Hong Kong Public Offering is 67,978.

No application has been rejected due to invalid application which is not completed in accordance with the instructions set out in the Application Forms. 589 multiple applications or suspected multiple applications have been identified and rejected. 5 applications have been rejected due to bounced check. No applications for more than 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering (being 13,029,000 Shares) have been identified.

As the over-subscription in the Hong Kong Public Offering is more than 100 times, the reallocation procedures as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation” in the Prospectus have been applied. A total number of 104,227,000 Offer Shares have been reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the final number of Offer Shares available under the Hong Kong Public Offering has been increased to 130,285,000 Offer Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

The Hong Kong Offer Shares offered in the Hong Kong Public Offering were conditionally allocated on the basis set out in the paragraph headed “Basis of allotment under the Hong Kong Public Offering” below.

INTERNATIONAL OFFERING

The Offer Shares initially offered under the International Offering have been over-subscribed by approximately 23 times. Taking into account the reallocation of 104,227,000 Offer Shares from the International Offering to the Hong Kong Public Offering, the final number of Offer Shares under the International Offering is 130,284,000 Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). A total number of 246 placees have been allocated Offer Shares under the International Offering.

CORNERSTONE INVESTORS

Based on the Offer Price of HK\$13.70 per Offer Share, pursuant to the cornerstone investment agreements, the number of Offer Shares subscribed for by the Cornerstone Investors has now been determined as set out below:

	Number of Offer Shares subscribed for (rounded down to nearest whole board lot of 1,000 Shares)	Approximately % of total number of Offer Shares		Approximately % of total Shares in issue immediately following the completion of Global Offering	
		Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	28,285,000	10.86%	9.44%	1.09%	1.07%
New & High	22,628,000	8.68%	7.55%	0.87%	0.86%
Red Earth	16,970,000	6.51%	5.66%	0.65%	0.64%
Lake Bleu Prime	14,142,000	5.43%	4.72%	0.54%	0.53%
OrbiMed Funds	14,142,000	5.43%	4.72%	0.54%	0.53%
Sage Partners	5,657,000	2.17%	1.89%	0.22%	0.21%
Jericho Funds	5,657,000	2.17%	1.89%	0.22%	0.21%
Total	<u>107,481,000</u>	<u>41.25%</u>	<u>35.87%</u>	<u>4.12%</u>	<u>4.06%</u>

To the best knowledge of the Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not a connected person (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take instructions from the Company, the Directors, chief executive, substantial Shareholders, Controlling Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by the Company, the Directors, chief executive, substantial shareholders, Controlling Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering other than pursuant to the cornerstone investment agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank pari passu in all respect with the fully paid Shares in issue. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will have any Board representation in the Company or become a substantial Shareholder. The Cornerstone Investors do not have any preferential rights in the cornerstone investment agreements compared with other public Shareholders.

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the relevant Offer Shares or any interest in any company or entity holding any of the relevant Offer Shares including any securities convertible into or exchangeable or exercisable for or that represent the right to receive any of the foregoing securities, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

Please refer to the section headed “Cornerstone Investors” in the Prospectus for further details relating to the Cornerstone Investors.

PLACING OF OFFER SHARES TO CLOSE ASSOCIATES OF EXISTING SHAREHOLDERS

Under the International Offering, a total number of 8,255,000 Offer Shares were allocated to certain close associates of existing Shareholders, representing approximately (i) 3.17% of the Offer Shares under the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) 0.32% of the total issued share capital of the Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), details of which are set out below:

Placee	Number of Offer Shares placed	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of the Global Offering	
		Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Pramerica Fosun Life Insurance Co., Ltd ⁽¹⁾	1,150,000	0.44%	0.38%	0.04%	0.04%
Peak Reinsurance Company Limited ⁽¹⁾	1,150,000	0.44%	0.38%	0.04%	0.04%
SeaTown Master Fund ⁽²⁾	125,000	0.05%	0.04%	0.005%	0.005%
TBP Investment Advisory (HK) Limited ⁽³⁾	5,830,000	2.24%	1.95%	0.22%	0.22%
	<u>8,255,000</u>	<u>3.17%</u>	<u>2.75%</u>	<u>0.32%</u>	<u>0.31%</u>

Notes:

- (1) each a close associate of Fosun Industrial Co., Limited, an existing Shareholder which hold 1.86% of the issued share capital of the Company as at the date of the Prospectus.
- (2) a close associate of Palace Investments PTE Ltd, an existing Shareholder which hold 0.83% of the issued share capital of the Company as at the date of the Prospectus.
- (3) a close associate of (i) King View Development International Limited, an existing shareholder of the Company which holds 2.47% of the issued share capital of the Company as at the date of the Prospectus; and (ii) InnoPharma Holdings Limited, a Pre-IPO Investor invested in the Company through its 23.94% ownership in FFI, which in turn holds 5.16% of the issued share capital of the Company as at the date of the Prospectus.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, a waiver from strict compliance with the requirements of Rule 10.04 of the Listing Rules and a consent under paragraph 5(2) of the Placing Guidelines to permit the Company to allocate Shares to each of Pramerica Fosun Life Insurance Co., Ltd, Peak Reinsurance Company Limited, SeaTown Master Fund and TBP Investment Advisory (HK) Limited as placees under the placing tranche of the Global Offering.

PLACING OF OFFER SHARES WITH CONSENT UNDER THE PLACING GUIDELINES

Certain Offer Shares were placed to a connected client of a joint bookrunner (the “**Connected Underwriter**”) within the meaning of the Placing Guidelines, holding Offer Shares on a discretionary basis and the details of which are set out below:

Connected Underwriter	Placee	Number of Offer Shares placed	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of the Global Offering		Relationship with the Connected Underwriter
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	
UBS AG Hong Kong Branch	UBS AM (Singapore)	3,250,000	1.25%	1.08%	0.12%	0.12%	UBS AM (Singapore) is a member of the same group of companies as UBS AG Hong Kong Branch.
		<u>3,250,000</u>	<u>1.25%</u>	<u>1.08%</u>	<u>0.12%</u>	<u>0.12%</u>	

3,250,000 Offer Shares, representing approximately 0.12% of the Shares in issue immediately upon the completion of the Global Offering (before the exercise of the Over-allotment Option), were placed to UBS AM (Singapore) (in its capacity as a discretionary fund manager managing assets on behalf of its underlying clients), which is a connected client of UBS AG Hong Kong Branch within the meaning of the Placing Guidelines. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company a consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to UBS AM (Singapore). To the best of UBS AM (Singapore)'s knowledge, after making all reasonable inquiries, each of the UBS AM (Singapore)'s ultimate clients is an independent third party, and is not a connected person (as defined in the Listing Rules) of the Company or their respective associates (as defined in the Listing Rules) and are in compliance with all the conditions under the consent granted by the Stock Exchange.

Save as disclosed in the paragraphs headed "Placing of Offer Shares to close associates of existing Shareholders" and "Placing of Offer Shares with consent under the Placing Guidelines" in this announcement, and pursuant to the cornerstone investment agreements, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters under the Global Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company or any connected clients (as set out in paragraph 5(1) of the Placing Guidelines), or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees. The Directors confirm that no placee, individually, will hold more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering (assuming that the Over-allotment Option is not exercised).

The Directors confirm that, to the best of their knowledge, save as the placees which are close associates of existing Shareholders, namely, Pramerica Fosun Life Insurance Co., Ltd, Peak Reinsurance Company Limited, SeaTown Master Fund and TBP Investment Advisory (HK) Limited (please refer to the paragraph headed "Placing of Offer Shares to close associates of existing Shareholders"), none of the Offer Shares subscribed by the placees or public has been financed directly or indirectly by any of the Directors, chief executives, Controlling Shareholders, substantial Shareholders, or existing Shareholders of the Company or any of its subsidiaries or any of their respective close associates, and none of the placees or the public who has subscribed for the Offer Shares is accustomed to taking instructions from any of the Directors, chief executives, Controlling Shareholders, substantial Shareholders, or existing Shareholders of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters, at any time from the Listing Date until Wednesday, November 18, 2020, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 39,085,000 additional Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocations in the International Offering. There has been an over-allocation of 39,085,000 Shares in the International Offering and such over-allocation will be settled using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market, exercising the Over-allotment Option in full or in part or through deferred settlement, or by a combination of these means. If the Over-allotment Option is exercised, an announcement will be made in accordance with the Listing Rules. As at the date of this announcement, the Over-allotment Option has not been exercised.

LOCK-UP UNDERTAKINGS

Each of the Company, the Controlling Shareholders (including the Warranting Shareholders), all other existing Shareholders and the Cornerstone Investors has given certain undertakings in relation to the issue or disposal of Shares (the “**Lock-up Undertakings**”). The major terms of the Lock-up Undertakings are set out as follows:

Name	Number of Shares held in the Company subject to the Lock-up Undertakings upon the Listing	Percentage of shareholding in the Company subject to the Lock-up Undertakings upon the Listing ^(Note 3)	Last day subject to the Lock-up Undertakings
<i>The Company (subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement)</i>	N/A	N/A	April 26, 2021 ^(Note 1)
<i>The Controlling Shareholders (including the Warranting Shareholders) (subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement (where applicable))</i>	2,035,922,965	78.13%	October 26, 2021 ^(Note 2)
<i>Cornerstone Investors (subject to lock-up obligations pursuant to the cornerstone investment agreements)</i>			
Hillhouse Capital	28,285,000	1.09%	April 26, 2021 ^(Note 3)
New & High	22,628,000	0.87%	April 26, 2021 ^(Note 3)
Red Earth	16,970,000	0.65%	April 26, 2021 ^(Note 3)
Lake Bleu Prime	14,142,000	0.54%	April 26, 2021 ^(Note 3)
OrbiMed Funds	14,142,000	0.54%	April 26, 2021 ^(Note 3)
Sage Partners	5,657,000	0.22%	April 26, 2021 ^(Note 3)
Jericho Funds	5,657,000	0.22%	April 26, 2021 ^(Note 3)

Notes:

1. The Company may issue Shares without any lock-up obligations after the indicated date.
2. The Controlling Shareholders (including the Warranting Shareholders) may dispose of or transfer Shares after April 26, 2021, provided that (i) such Controlling Shareholder will not cease to be a Controlling Shareholder on and prior to October 26, 2021 and/or (ii) such Warranting Shareholder will take all reasonable steps to ensure that such disposal will not create a disorderly or false market in the securities of the Company; and may dispose of or transfer Shares without any lock-up obligation after October 26, 2021.
3. The Cornerstone Investors may dispose of or transfer Shares without any lock-up obligation after the indicated date.
4. Assuming the Over-allotment Option is not exercised.

Save as the Controlling Shareholders (including the Warranting Shareholders) and the Cornerstone Investors as disclosed above, each of the other existing Shareholders have entered into a lock-up undertaking that it will not, whether directly or indirectly, at any time from the Listing Date until April 24, 2021 which is the end of the period of 180 days commencing on the Listing Date, without the prior written consent of the Joint Global Coordinators, (a) dispose of any Shares or other securities of the Company or any interest in any of the foregoing held by it (including those acquired in the Global Offering), or (b) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction.

BASIS OF ALLOTMENT UNDER THE HONG KONG PUBLIC OFFERING

Subject to the satisfaction of the conditions set out in the section headed “Structure of the Global Offering – Conditions of the Global Offering” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms, to the **White Form eIPO** Service Provider under the **White Form eIPO** service and through giving **electronic application instructions** to HKSCC via CCASS will be conditionally allocated on the basis set out below:

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT/BALLOT POOL A	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
1,000	188,447	9,422 out of 188,447 to receive 1,000 Shares	5.00%
2,000	14,196	852 out of 14,196 to receive 1,000 Shares	3.00%
3,000	27,912	1,926 out of 27,912 to receive 1,000 Shares	2.30%
4,000	5,341	427 out of 5,341 to receive 1,000 Shares	2.00%
5,000	9,043	774 out of 9,043 to receive 1,000 Shares	1.71%
6,000	4,563	444 out of 4,563 to receive 1,000 Shares	1.62%
7,000	4,508	489 out of 4,508 to receive 1,000 Shares	1.55%
8,000	5,436	652 out of 5,436 to receive 1,000 Shares	1.50%
9,000	2,633	336 out of 2,633 to receive 1,000 Shares	1.42%
10,000	21,327	2,986 out of 21,327 to receive 1,000 Shares	1.40%
15,000	8,149	1,614 out of 8,149 to receive 1,000 Shares	1.32%
20,000	13,260	3,448 out of 13,260 to receive 1,000 Shares	1.30%
25,000	4,817	1,517 out of 4,817 to receive 1,000 Shares	1.26%
30,000	4,671	1,738 out of 4,671 to receive 1,000 Shares	1.24%
35,000	2,187	934 out of 2,187 to receive 1,000 Shares	1.22%
40,000	3,128	1,514 out of 3,128 to receive 1,000 Shares	1.21%
45,000	1,382	746 out of 1,382 to receive 1,000 Shares	1.20%
50,000	3,931	2,339 out of 3,931 to receive 1,000 Shares	1.19%
60,000	2,150	1,522 out of 2,150 to receive 1,000 Shares	1.18%
70,000	2,201	1,787 out of 2,201 to receive 1,000 Shares	1.16%
80,000	2,330	2,088 out of 2,330 to receive 1,000 Shares	1.12%
90,000	991	1,000 Shares	1.11%
100,000	9,879	1,000 Shares plus 988 out of 9,879 to receive additional 1,000 Shares	1.10%
200,000	5,189	2,000 Shares	1.00%
300,000	1,854	2,000 Shares plus 1,644 out of 1,854 to receive additional 1,000 Shares	0.96%
	<u>349,525</u>		

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT/BALLOT POOL B	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
400,000	8,436	3,000 Shares plus 6,683 out of 8,436 to receive additional 1,000 Shares	0.95%
500,000	898	4,000 Shares	0.80%
600,000	446	4,000 Shares plus 330 out of 446 to receive additional 1,000 Shares	0.79%
700,000	361	5,000 Shares	0.71%
800,000	344	5,000 Shares plus 220 out of 344 to receive additional 1,000 Shares	0.70%
900,000	82	6,000 Shares	0.67%
1,000,000	868	6,000 Shares plus 564 out of 868 to receive additional 1,000 Shares	0.66%
2,000,000	473	10,000 Shares	0.50%
3,000,000	170	12,000 Shares	0.40%
4,000,000	92	15,000 Shares	0.38%
5,000,000	84	18,000 Shares	0.36%
6,000,000	31	21,000 Shares	0.35%
7,000,000	37	24,000 Shares	0.34%
8,000,000	25	26,000 Shares	0.33%
9,000,000	14	29,000 Shares	0.32%
10,000,000	37	31,000 Shares	0.31%
13,029,000	112	36,000 Shares	0.28%
	<u>12,510</u>		

The final number of Offer Shares comprised in the Hong Kong Public Offering is 130,285,000 Offer Shares, representing approximately 50% of the total number of the Offer Shares initially available under the Global Offering. The final number of Offer Shares comprised in the International Offering is 130,284,000 Offer Shares, representing approximately 50% of the total number of the Offer Shares initially available under the Global Offering.

RESULTS OF ALLOCATIONS

The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC or through the designated **White Form eIPO** service, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of the Hong Kong Offer Shares successfully applied for, will be made available at the times and dates and in the manner specified below:

- in this announcement posted on the Company's website at www.simcere.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Friday, October 23, 2020;

- from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <http://www.eipo.com.hk/en/Allotment>; Chinese <http://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Friday, October 23, 2020 to 12:00 midnight on Thursday, October 29, 2020;
- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Friday, October 23, 2020 and from Tuesday, October 27, 2020 to Thursday, October 29, 2020;
- in the special allocation results booklets which will be available for inspection during opening hours on Friday, October 23, 2020, Saturday, October 24, 2020 and Tuesday, October 27, 2020 at all the receiving bank’s designated branches as set out below:

Bank of China (Hong Kong) Limited

District	Branch Name	Address
Hong Kong Island	Shek Tong Tsui Branch	534 Queen’s Road West, Shek Tong Tsui, Hong Kong
	409 Hennessy Road Branch	409-415 Hennessy Road, Wan Chai, Hong Kong
Kowloon	Mei Foo Mount Sterling Mall Branch	Shop N47-49, G/F, Mount Sterling Mall, Mei Foo Sun Chuen, Kowloon
	Kowloon Plaza Branch	Unit 1, Kowloon Plaza, 485 Castle Peak Road, Kowloon
New Territories	Tai Wai Branch	74-76 Tai Wai Road, Sha Tin, New Territories
	Castle Peak Road (Yuen Long) Branch	162 Castle Peak Road, Yuen Long, New Territories

The final Offer Price, level of indication of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will also be published on Friday, October 23, 2020 on the Company’s website at www.simcere.com and the website of the Stock Exchange at www.hkexnews.hk.

SHAREHOLDING CONCENTRATION ANALYSIS

We set out a summary of allotment results under the Global Offering:

- Top 1, 5, 10 and 25 of the Shareholders out of the final International Offer Shares, total Offer Shares and total issued share capital of the Company upon Listing:

Shareholders	Subscription	Aggregate number of Shares held upon Listing	Subscription as % of the final International Offer Shares (as adjusted after reallocation and assuming no exercise of Over-allotment Option)	Subscription as % of the final International Offer Shares (as adjusted after reallocation and assuming full exercise of Over-allotment Option)	Subscription as % of total Offer Shares (assuming no exercise of Over-allotment Option)	Subscription as % of total Offer Shares (assuming full exercise of Over-allotment Option)	% of total share capital in issue upon Listing (assuming no exercise of Over-allotment Option)	% of total share capital in issue upon Listing (assuming full exercise of Over-allotment Option)
Top 1 ^{Note}	0	2,035,922,965	0.00%	0.00%	0.00%	0.00%	78.13%	76.98%
Top 5	0	2,307,147,406	0.00%	0.00%	0.00%	0.00%	88.54%	87.23%
Top 10	67,883,000	2,413,000,618	52.10%	40.08%	26.05%	22.65%	92.61%	91.24%
Top 25	141,318,000	2,486,435,618	108.47%	83.44%	54.23%	47.16%	95.42%	94.01%

Note: Simcere Pharmaceutical Holding Limited (“SPHL”), Artking Global Limited (“Artking”), Fortune Fountain Investment Limited (“FFI”) and Excel Good Group Limited (“EGG”), certain of the Controlling Shareholders, directly hold 1,196,009,986, 606,810,031, 120,961,370 and 112,141,578 Shares, respectively, and 2,035,922,965 Shares in aggregate. SPHL is directly held by Simcere Investments Group and Artking as to approximately 66.67% and 15.84%, respectively, and Simcere Investments Group is wholly owned by Simcere Holding Limited, which is in turn directly held by Artking, EGG and FFI as to approximately 55.45%, 17.05% and 15.79%, respectively.

- Top 1, 5, 10 and 25 of the placees out of the final International Offer Shares, total Offer Shares and total issued share capital of the Company upon Listing:

Placees	Subscription	Aggregate number of Shares held upon Listing	Subscription as % of the final International Offer Shares (as adjusted after reallocation and assuming no exercise of Over-allotment Option)	Subscription as % of the final International Offer Shares (as adjusted after reallocation and assuming full exercise of Over-allotment Option)	Subscription as % of total Offer Shares (assuming no exercise of Over-allotment Option)	Subscription as % of total Offer Shares (assuming full exercise of Over-allotment Option)	% of total share capital in issue upon Listing (assuming no exercise of Over-allotment Option)	% of total share capital in issue upon Listing (assuming full exercise of Over-allotment Option)
Top 1	28,285,000	28,285,000	21.71%	16.70%	10.86%	9.44%	1.09%	1.07%
Top 5	96,167,000	96,167,000	73.81%	56.78%	36.91%	32.09%	3.69%	3.64%
Top 10	122,411,000	122,411,000	93.96%	72.27%	46.98%	40.85%	4.70%	4.63%
Top 25	147,921,000	147,921,000	113.54%	87.34%	56.77%	49.36%	5.68%	5.59%

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.