

DATED 28 AUGUST 2018

**SINCLAIR PHARMA PLC
AND
HUADONG MEDICINE AESTHETICS INVESTMENT (HONGKONG) LIMITED
AND
HUADONG MEDICINE CO. LTD.**

OFFER AGREEMENT

THIS AGREEMENT is made on 28 August 2018

BETWEEN:

1. **SINCLAIR PHARMA PLC**, a company incorporated in England and Wales with registered number 03816616 whose registered office is at Whitfield Court, 30 -32 Whitfield Street, London W1T 2RQ, United Kingdom ("**Sinclair**");
2. **HUADONG MEDICINE AESTHETICS INVESTMENT (HONGKONG) LIMITED**, a company registered in Hong Kong under number 2714281 and whose registered office is at Room 1405,14/f., Lucky Centre, 165 Wanchai Road, Wanchai, Hong Kong ("**Huadong**"); and
3. **HUADONG MEDICINE CO. LTD.**, a company registered in the People's Republic of China under number 91330000143083157E and whose registered office is at No. 866 Moganshan Road Hangzhou, Zhejiang Province, China. ("**HMC**").

WHEREAS:

- (A) Huadong has proposed the terms on which it would be prepared to make an offer to acquire the entire issued and to be issued share capital of Sinclair, subject to the satisfaction of certain pre-conditions more particularly described in this binding Agreement (the "**Possible Offer**").
- (B) It is intended that the Possible Offer will be effected by way of a scheme of arrangement of Sinclair pursuant to Part 26 of the Companies Act (the "**Scheme**"), but Huadong reserves the right, as set out in (and subject to the terms and conditions of) Clause 4 of this Agreement, to elect to implement the Possible Offer by way of a takeover offer as defined in Part 28 of the Companies Act (the "**Contractual Offer**").

NOW IT IS AGREED as follows:

1. Definitions and Interpretation

- 1.1 In this Agreement (including in the Recitals), terms defined in the Announcement shall, unless otherwise defined herein, bear the same meanings herein and:

"**Acceptance Condition**" means the acceptance condition to any Contractual Offer;

"**Agreed Form 2.7 Announcement**" has the meaning ascribed to such term in Clause 3.1;

"**Alternative Bank Guarantee**" means an irrevocable guarantee substantially in the form of the ICBC Bank Guarantee in respect of the consideration which would be payable pursuant to the terms of the Offer, including (without limitation) pursuant to any offers required to be made pursuant to Rules 14 and/or 15 of the Code;

"Announcement"	means the announcement to be issued pursuant to Rule 2.4 of the Code substantially in the form set out in Schedule 1;
"Articles"	means the articles of association of Sinclair from time to time;
"Board"	means the board of directors of Sinclair;
"Break Fee"	means the sum of £2,200,000 (two million two hundred thousand pounds);
"Business Day"	means a day, other than a Saturday, Sunday or public holiday in the UK, on which banks are open for non-automated business in the City of London and the People's Republic of China (including Hong Kong);
"Cancellation"	the cancellation of Sinclair's admission to trading on AIM;
"Code"	means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;
"Companies Act"	means the Companies Act 2006 (as amended);
"Competing Transaction"	<p>(a) any offer (including a partial offer), possible offer, tender offer, merger, acquisition, scheme of arrangement, dual listed company structure, reverse takeover, business combination or proposal from, or on behalf of, any Third Party, whether or not subject to any pre-conditions and howsoever to be implemented, with a view to such Third Party, directly or indirectly acquiring, when aggregated with the shares already held by such Third Party and any person acting in concert with such Third Party, thirty (30) per cent. or more of the issued share capital of Sinclair;</p> <p>(b) the acquisition or disposal, directly or indirectly, by or on behalf of, any Third Party or Third Parties of all or a significant proportion (being thirty (30) per cent. or more) of the business, assets and/or undertakings of the Sinclair Group calculated by reference to any of its revenue, profits or value taken as a whole;</p> <p>(c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being thirty (30) per cent. or more) of the Sinclair Group calculated by reference to any of its revenue, profits or value taken as a whole; or</p> <p>(d) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede, delay or prejudice implementation of the Offer (including, for the</p>

avoidance of doubt, any transaction or arrangement which would require the approval of shareholders pursuant to Rule 21.1 of the Code or the AIM Rules for Companies),

in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise and which is not effected by or on behalf of Huadong, or any other person acting at the direction of Huadong, or any person who has an agreement or understanding (whether informal or formal) with Huadong to cooperate, obtain or consolidate control of Sinclair;

"Conditions"

means:

- (a) for so long as the Offer is being implemented by means of the Scheme, the terms and conditions to the implementation of the Scheme set out in Appendix 2 of the Agreed Form 2.7 Announcement; or
- (b) for so long as the Offer is being implemented by means of a Contractual Offer, the terms and conditions referred to in limb (a) above, subject to appropriate amendments to reflect the change in method of effecting the Offer and by replacing the Scheme Condition with the Acceptance Condition;

"Contractual Offer"

has the meaning given to it in Recital B of this Agreement;

"Contractual Offer Document"

means the offer document to be sent to Sinclair Shareholders if the Offer is implemented by way of a Contractual Offer, which will contain, among other things, the terms and Conditions, including any revised offer document;

"Court"

the High Court of Justice in England and Wales;

"Court Meeting"

means, if the Offer is made, the meeting of Sinclair Shareholders to be convened by order of the court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment), and any adjournment thereof;

"Effective"

in the context of the Offer, if made: (i) if the Offer is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Scheme Court Order to the Registrar of Companies; or (ii) if the Offer is implemented by way of a Contractual Offer, the Contractual Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code;

"General Meeting"	means, if the Offer is made, the meeting of Sinclair Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof;
"Governmental Authority"	the Zhejiang Provincial National Development & Reform Commission and/or the Department of Commerce of Zhejiang Province;
"ICBC Bank Guarantee"	means the irrevocable guarantee in the form set out in Appendix 1 to this Agreement in respect of the consideration which would be payable pursuant to the terms of the Offer, including (without limitation) pursuant to any offers required to be made pursuant to Rules 14 and/or 15 of the Code;
"MIP"	the management incentive plan which, if the Offer is made and becomes Effective, Huadong intends to implement pursuant to which certain directors, officers and senior managers of Sinclair would be beneficiaries with effect from and/or following Cancellation;
"MIP Resolution"	the Resolution to be proposed by Sinclair at the General Meeting in connection with the approval of the MIP;
"Offer"	has the meaning ascribed to such term in Clause 3.1;
"Offer Price"	has the meaning ascribed to that term in Clause 3.1;
"Panel"	means the Panel on Takeovers and Mergers;
"Pre-Condition Long Stop Date"	means the date falling five weeks from the date of this Agreement or such later date as Huadong and Sinclair may (with the consent of the Panel, if applicable) agree in writing;
"Pre-Conditions"	means: <ul style="list-style-type: none"> (A) the issuance of: <ul style="list-style-type: none"> (i) a notice of record-filing from the Zhejiang Provincial National Development & Reform Commission in respect of the Possible Offer; and (ii) a Certificate of Outbound Direct Investment ("ODI") from the Department of Commerce of Zhejiang Province in respect of the Possible Offer, <p>((i) and (ii) together, the "ODI Pre-Condition");</p> (B) the issuance to Huadong and/or HMC of either:

- (i) the ICBC Bank Guarantee by Industrial and Commercial Bank of China Limited, London Branch; or
- (ii) the Alternative Bank Guarantee by another bank satisfactory to Huadong (acting in good faith) and its financial advisers for the purposes of the Code

(the "**Bank Guarantee Pre-Condition**"); and

- (C) the receipt by Huadong of confirmation of the Board's:
 - (i) intention (or the intention of the Sinclair Independent Directors) to provide its (or their) unanimous, unqualified and unconditional recommendation to Sinclair Shareholders to accept an offer from Huadong to acquire the entire issued and to be issued share capital of Sinclair (having been advised by Sinclair's Financial Advisers that the financial terms of such offer are fair and reasonable) which is (a) at not less than the Offer Price (subject to adjustment, if appropriate, pursuant to Clause 10.3) and (b) subject to the terms and conditions (as may be varied by written agreement between the parties) contained in the Agreed Form 2.7 Announcement; and
 - (ii) agreement (or of the agreement of the Sinclair Independent Directors) that an announcement of the Offer on the terms and subject to the conditions contained in the Agreed Form 2.7 Announcement containing such recommendation may be released;

in each case before the Pre-Condition Long Stop Date, and "**Pre-Condition**" shall be construed accordingly;

"Recommendation" means a unanimous, unconditional and unqualified recommendation from the Board (or the Sinclair Independent Directors) to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting;

"Registrar of Companies" means the registrar of companies in England and Wales;

"Resolutions" (i) the resolution(s) to be proposed by Sinclair at the General Meeting in connection with, among other things the approval of the Scheme, the alteration of the Articles and such other matters as may be necessary to implement the Scheme and the

Cancellation; and (ii) the MIP Resolution, and "**Resolution**" shall be construed accordingly;

"Scheme"	has the meaning given to it in Recital B of this Agreement;
"Scheme Condition"	means Condition 2 set out in Appendix 2 to the Agreed Form 2.7 Announcement;
"Scheme Court Order"	if the Offer is made, the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
"Scheme Document"	means the document to be sent to Sinclair Shareholders containing and setting out, among other things, the Scheme and the notices convening the Court Meeting and the General Meeting;
"Sinclair Group"	means Sinclair and its subsidiary undertakings, and references to a "member" or "members" of the Sinclair Group shall be construed accordingly (" subsidiary undertaking " having the meaning set out in section 1162 of the Companies Act);
"Sinclair's Financial Advisers"	means N.M. Rothschild & Sons Limited and Peel Hunt LLP, joint Rule 3 advisers to Sinclair;
"Sinclair Independent Directors"	the directors of Sinclair who do not have a personal interest in the MIP, being Grahame Cook and Jeffery Thompson and who have resolved to constitute a committee for the purposes of evaluating the Possible Offer;
"Sinclair Shareholders"	means the holders of Sinclair Shares;
"Sinclair Shares"	means the ordinary shares in the issued share capital of Sinclair from time to time and " Sinclair Share " shall be construed accordingly;
"Third Party"	a third party which is not a person who is, or is presumed to be, acting in concert (as defined in the Code) with Huadong; and
"Working Hours"	means 9.30 a.m. to 5.30 p.m.

1.2 In addition, in this Agreement:

- (A) references to "the parties" shall, unless the context otherwise requires, be a reference to Huadong, HMC and Sinclair;
- (B) references to a person include a body corporate and an unincorporated association of persons;
- (C) references to a party to this Agreement include references to the successors and assigns (immediate or otherwise) of that party;

- (D) the words including and include shall mean including without limitation and include without limitation, respectively;
- (E) any reference to a time of day is to London time; and
- (F) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this Agreement or that document.

1.3 In this Agreement, any reference, express or implied, to an enactment includes:

- (A) that enactment as re-enacted, amended, extended or applied by or under any other enactment (before, on or after the signature of this Agreement);
- (B) any enactment which that enactment re-enacts (with or without modification); and
- (C) any subordinate legislation made (before, on or after the signature of this Agreement) under any enactment, as re-enacted, amended, extended or applied as described in Clause 1.3(A) or under any enactment referred to in Clause 1.3(B),

PROVIDED THAT no such enactment or subordinate legislation made after the date of this Agreement shall increase the liability of any party under this Agreement, and enactment includes any legislation in any jurisdiction.

1.4 Words and expressions defined in the Companies Act have the same meaning in this Agreement unless otherwise defined.

1.5 The ejusdem generis rule does not apply to this Agreement. Accordingly, specific words indicating a type, class or category of thing do not restrict the meaning of general words following such specific words, such as general words introduced by the word other or a similar expression. Similarly, general words followed by specific words shall not be restricted in meaning to the type, class or category of thing indicated by such specific words.

1.6 A reference in this Agreement to any English legal term for any action, remedy, method or form of judicial proceeding, legal document, court or any other legal concept or matter will be deemed to include a reference to the corresponding or most similar legal term in any jurisdiction other than England, to the extent that such jurisdiction is relevant to the transactions contemplated by this Agreement or the terms of this Agreement.

1.7 Clauses 1.1 to 1.6 apply unless the contrary intention appears.

2. Issue of the Announcement

2.1 Huadong shall procure the release of the Announcement at, or shortly after 8:01 a.m., on 28 August 2018 or such later date as the parties may agree in writing.

3. Firm intention to make an offer

3.1 Unless otherwise agreed in writing between the parties (with the consent of the Panel, if applicable), within 3 Business Days of satisfaction (or waiver by Huadong, as the case may be) of the Pre-Conditions, Huadong shall announce a firm intention to acquire the entire issued and to be issued share capital of Sinclair pursuant to Rule 2.7 of the Code at a price of no less than 32 pence in cash per Sinclair Share (the "**Offer Price**"), subject

to adjustment, if appropriate, pursuant to Clause 10.3 and on the terms and subject to the conditions contained in the draft announcement set out in Schedule 2 of this Agreement (as may be varied by written agreement between the parties) (the "**Agreed Form 2.7 Announcement**") (the offer announced pursuant to the Agreed Form 2.7 Announcement being the "**Offer**").

- 3.2 Each of the Pre-Conditions other than the ODI Pre-Condition may be waived at the election of Huadong by written notice to Sinclair or one of Sinclair's Financial Advisers.
- 3.3 Each of Huadong and HMC undertakes to use its best endeavours to procure the satisfaction of the ODI Pre-Condition and the Bank Guarantee Pre-Condition before the Pre-Condition Long Stop Date.
- 3.4 Notwithstanding the generality of Clause 3.3, each of Huadong and HMC undertakes to use its best endeavours to procure the satisfaction of the Bank Guarantee Pre-Condition as soon as reasonably practicable after the satisfaction of the ODI Pre-Condition and in any event before the Pre-Condition Long Stop Date.
- 3.5 Huadong undertakes to Sinclair, to the extent permitted by law or regulation, to keep Sinclair informed of any material developments with regard to the progress towards satisfaction (or otherwise) of each of the ODI Pre-Condition and the Bank Guarantee Pre-Condition and, without prejudice to Huadong's obligations under Clause 3.3, Clause 3.4 and Clause 8, if at any time Huadong becomes aware that the ODI Pre-Condition and/or the Bank Guarantee Pre-Condition would, or might reasonably, not be satisfied before the Pre-Condition Long Stop Date, Huadong shall promptly inform Sinclair of such fact.

4. Switching to a Contractual Offer

- 4.1 Huadong shall be entitled, with the consent of the Panel and without prejudice to its rights under Clause 7.2, to implement the Offer by way of a Contractual Offer rather than by a Scheme only if:
 - (A) Sinclair provides its prior written consent (an "**Agreed Switch**"), in which case Clause 4.2 shall apply;
 - (B) Sinclair or a Third Party announces a Competing Transaction (other than a possible offer announced by a Third Party which is not recommended or supported by the Board (or, if applicable, the Sinclair Independent Directors)); or
 - (C) the Board (or, if applicable, the Sinclair Independent Directors): (i) does not include the Recommendation in the Scheme Document, (ii) withdraws, qualifies or adversely amends the Recommendation prior to the Court Meeting or General Meeting, or (iii) prior to publication of the Scheme Document, withdraws, qualifies or adversely amends its intention to give the Recommendation in any such document, including making any public statement to such effect.
- 4.2 In the event of an Agreed Switch, unless otherwise agreed between Sinclair and Huadong or required by the Panel:
 - (A) the Acceptance Condition to the Contractual Offer shall be set at 90 per cent. of the Sinclair Shares to which the Contractual Offer relates or such lesser percentage as may be determined by Sinclair and Huadong after, to the extent

necessary, consultation with the Panel, being in any case more than 50 per cent. of the Sinclair Shares;

- (B) Huadong shall not take any action which would cause the Contractual Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, prior to the 42nd day after publication of the Contractual Offer Document and Sinclair and Huadong shall ensure that the Contractual Offer remains open for acceptances until such time unless such Contractual Offer has previously lapsed as a result of non-fulfilment of any condition other than the Acceptance Condition or any of the conditions to such Contractual Offer (other than the Acceptance Condition) have become incapable of being satisfied;
- (C) Huadong shall ensure that the only conditions of the Contractual Offer shall be the Conditions (modified accordingly, as set out in limb (b) of the definition of Conditions); and
- (D) Huadong shall keep Sinclair informed, on a confidential basis and on the next Business Day following receipt of a written request from Sinclair, of the number of holders of Sinclair Shares that have validly returned their acceptance or withdrawal forms or incorrectly completed their withdrawal or acceptance forms, the identity of such shareholders, and the number of Sinclair Shares to which such forms relate.

5. Guarantee

- 5.1 In consideration of Sinclair entering into this Agreement, HMC unconditionally and irrevocably guarantees to Sinclair the due and punctual performance and observance by Huadong of its obligation under Clause 8.1 to pay the Break Fee.
- 5.2 The liability of HMC under this Agreement shall not be released or diminished by any act, omission, matter or thing which (but for this Clause 5.2) would lead to its liability being released or diminished, including any variation of the terms of this Agreement (whether or not agreed by HMC), any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.
- 5.3 This guarantee is to be a continuing guarantee and accordingly is to remain in force until the obligation of Huadong under Clause 8.1 to pay the Break Fee shall have been performed or satisfied regardless of the legality, validity or enforceability of any provisions of this Agreement and notwithstanding the winding-up, liquidation, dissolution or other incapacity of Huadong or any change in the status, control or ownership of Huadong. This guarantee is in addition to, without limiting and not in substitution for, any rights which Sinclair may now or after the date of this Agreement have or hold for the performance and observance of the obligation of Huadong under Clause 8.1 to pay the Break Fee.
- 5.4 As a separate and independent stipulation, HMC agrees that if the obligation of Huadong under Clause 8.1 to pay the Break Fee is not enforceable against Huadong by reason of any legal limitation, disability or incapacity on or of Huadong or any fact or circumstance (other than any limitation imposed by this Agreement) shall nevertheless be enforceable against and recoverable severally from HMC as though the same had been incurred and HMC were the sole or principal obligor in respect thereof and shall be performed or paid by HMC.

6. Warranties

6.1 Each of Huadong and HMC represents and warrants to Sinclair on the date of this Agreement that:

- (A) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (B) this Agreement constitutes its binding obligations in accordance with its terms; and
- (C) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in a breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound.

7. Termination

7.1 This Agreement shall terminate and all rights and obligations of the parties hereunder shall, subject to Clause 7.3, cease forthwith upon:

- (A) the making of the Agreed Form 2.7 Announcement;
- (B) the Pre-Conditions not being satisfied (or waived by Huadong, as the case may be); or
- (C) the failure by Huadong to issue the Agreed Form 2.7 Announcement in accordance with Clause 3.1.

7.2 Huadong may by written notice to Sinclair terminate this Agreement, whereupon all rights and obligations of Huadong hereunder (including under Clause 8.1) shall, subject to Clause 7.3 but notwithstanding any other provision of this Agreement, cease forthwith if:

- (A) at any time before the Pre-Condition Long Stop Date any of the conditions to the Offer contained in Appendix 2 to the Agreed Form 2.7 Announcement would, if the Agreed Form 2.7 Announcement had then been released, be capable of being invoked or would be incapable of being satisfied, or other facts, matters or circumstances exist, such that Huadong would be entitled to lapse, withdraw, terminate or not proceed with the Offer;
- (B) before the Pre-Condition Long Stop Date, a Competing Transaction is announced that is recommended or proposed by the Board or the Sinclair Independent Directors;
- (C) the ODI Pre-Condition is not satisfied in part or in whole because of a failure by Sinclair to provide any reasonably necessary documentation, information or assistance promptly and in any event within 48 hours following a written request by Huadong where it was within Sinclair's power to provide such documentation,

information or assistance and it was required by any Governmental Authority for the purposes of the ODI Pre-Condition;

- (D) Huadong is required to obtain an Alternative Bank Guarantee in order to satisfy the Guarantee Pre-Condition and, in such circumstances, the Guarantee Pre-Condition is not satisfied in part or in whole because of a failure by Sinclair to provide any reasonably necessary documentation, information or assistance promptly and in any event within 48 hours following a written request by Huadong where it was within Sinclair's power to provide such documentation, information or assistance and it was required by any relevant bank providing an Alternative Bank Guarantee for the purposes of the Guarantee Pre-Condition; or
- (E) before the release of the Agreed Form 2.7 Announcement, the Board of Sinclair (or the Sinclair Independent Directors) notifies Huadong that it does not, or they do not, intend to provide a unanimous, unqualified and unconditional recommendation of the Offer,

provided that Huadong shall not be entitled to serve written notice to terminate this Agreement pursuant to Clause 7.2(A) unless and until it has received written advice from a reputable law firm and financial adviser, in each case experienced in transactions governed by the Code that any of conditions 1 to 3 contained in Appendix 2 to the Agreed Form 2.7 Announcement would, in their opinion, if the Agreed Form 2.7 Announcement had been released at such time, be capable of being invoked or would be incapable of being satisfied, or other facts, matters or circumstances exist, such that Huadong would be entitled to lapse, withdraw, terminate or not proceed with the Offer.

- 7.3 Termination of this Agreement shall be without prejudice to the rights of a party that have arisen prior to termination, including (without limitation) any claim in respect of a breach of this Agreement. Clause 1, Clause 4, this Clause 7.3 and each of Clauses 8 to 11 shall survive any such termination, except, for the avoidance of doubt, in the case of Clause 8 if this Agreement is terminated pursuant to Clause 7.2.

8. Break fee

- 8.1 Huadong shall pay the Break Fee to Sinclair if this Agreement is terminated pursuant to Clause 7.1(B) or Clause 7.1(C) as a result of:

- (A) the ODI Pre-Condition not being satisfied unless not satisfied in part or in whole because of a failure by Sinclair to provide any reasonably necessary documentation, information or assistance promptly and in any event within 48 hours following a written request by Huadong where it was within Sinclair's power to provide such documentation, information or assistance and it was required by any Governmental Authority for the purposes of the ODI Pre-Condition; or
- (B) the failure by Huadong to issue the Agreed Form 2.7 Announcement in accordance with Clause 3.1 and Sinclair providing Huadong with notice terminating this Agreement.

- 8.2 Huadong shall pay the Break Fee to Sinclair within 20 Business Days of the date on which the Break Fee becomes payable in accordance with Clause 8.1. Payment shall be made in cash in immediately available funds to such bank account as may be notified in writing

to Huadong by Sinclair for such purpose. The amount of the Break Fee Payment payable pursuant to this Agreement shall be inclusive of any applicable VAT.

- 8.3 Except with respect to fraud, Sinclair's right to receive and retain the Break Fee pursuant to Clause 8.1 shall be the sole and exclusive remedy of Sinclair against Huadong and HMC for any and all losses and damages howsoever arising suffered under or in connection with this Agreement and the transactions contemplated by this Agreement. In no event shall Huadong or HMC be required to pay the Break Fee to Sinclair more than once or pay more than one Break Fee.
- 8.4 Huadong acknowledges and agrees that the Break Fee is proportionate to Sinclair's legitimate interest in the circumstances that give rise to the obligation for Huadong to pay the Break Fee in accordance with this Clause 8.

9. Notices

- 9.1 Any notice, approval, consent or other formal communication to be given or made under this Agreement must (unless expressly provided otherwise) be in writing and be delivered or sent to:

For Sinclair:

1st Floor, Whitfield Court
30-32 Whitfield Street
London W1T 2RQ
Fax: +44 (0) 20 7467 6921
Email: JBurrell@sinclairpharma.com

Marked for the attention of: Jayne Burrell

with a copy to:

Eversheds Sutherland

1 Wood Street
London EC2V 7WS
Fax: +44 (0) 20 7919 4919
Email: StephenNash@eversheds-sutherland.com

Marked for the attention of: Steve Nash

For Huadong:

866, Moganshan Road,
GongShu District,
HangZhou,
Zhejiang,
310011,
P.R. China
Fax: +86 (0) 0571-89903300

Email: pretor@hdpharm.com
Marked for the attention of: Bo Chen

with a copy to:

Jones Day
21 Tudor Street
London EC4Y 0DJ
Fax: +44 (0) 20 7039 5999
Email: Inferred@jonesday.com

Marked for the attention of: Leon Ferera

For HMC:

866, Moganshan Road,
GongShu District,
HangZhou,
Zhejiang,
310011,
P.R. China
Fax: +86 (0) 0571-89903300
Email: pretor@hdpharm.com

Marked for the attention of: Bo Chen

with a copy to:

Jones Day
21 Tudor Street
London EC4Y 0DJ
Fax: +44 (0) 20 7039 5999
Email: Inferred@jonesday.com

Marked for the attention of: Leon Ferera

- 9.2 Any notice, approval, consent or other formal documentation shall be deemed to have been given or made:
- (A) if delivered by hand during Working Hours (local time at the place of delivery) on a Business Day, at the date and time of delivery; or
 - (B) if delivered by hand after Working Hours (local time at the place of delivery) on a Business Day, at the beginning of the next Business Day; or
 - (C) if sent by post, on the second Business Day after posting of the same (or on the third Business Day if sent to or from an address outside the United Kingdom);
 - (D) if sent by fax, on the date of transmission, if transmitted during Working Hours (local time at the place of destination) on any Business Day, and in any other case on the Business Day after the date of transmission; or

- (E) if sent by email, unless the party sending the email knows or reasonably ought to suspect that the email was not delivered to the addressee's domain specified in the relevant email address included in this clause 9.3, one Business Day after the email was sent.

10. General

- 10.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:
 - (A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
 - (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.
- 10.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Sinclair to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 10.3 Notwithstanding any other provision in this Agreement, if, after the date of this Agreement any dividend and/or other distribution and/or other return of capital is announced, declared, made or paid or becomes payable in respect of the Sinclair Shares, Huadong reserves the right to reduce the Offer Price by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared, made, paid or payable.
- 10.4 Nothing in this Agreement and no action taken by the parties under this Agreement shall constitute a partnership, association, joint venture or other co-operative entity between the parties.
- 10.5 The parties may vary this Agreement but no variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the parties.
- 10.6 This Agreement and the documents and other agreements referred to in it contain the whole agreement of the parties relating to the transaction contemplated by this Agreement and supersede all previous agreements between the parties relating to these transactions.
- 10.7 Each party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any representation, warranty, collateral contract or other assurance (except those set out in this Agreement) made by or on behalf of any other party at any time before the signature of this Agreement. Each of the parties waives all rights and remedies which, but for this Clause 10.7, might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance. Nothing in this Clause 10.7 limits or excludes any liability for fraud.
- 10.8 No party shall assign all or any part of the benefit of, or its rights or benefits under, this Agreement without the written consent of the other party.
- 10.9 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one

counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

- 10.10 This Agreement does not create any right under the Contracts (Rights of Third Parties) Act 1999 which is enforceable by any person who is not a party to it. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any person that is not a party to this Agreement.
- 10.11 Save as otherwise expressly provided in this Agreement each party shall pay its own costs and expenses in relation to the negotiation and preparation of this Agreement and the implementation of the transactions contemplated hereby.
- 10.12 Each of Huadong and HMC hereby appoints Law Debenture Corporate Services Limited of 100 Wood Street, Fifth Floor, London, EC2V 7EX to be its agent for service in relation to any claim form or other process and all other documents required to be served in any court proceedings in England and Wales arising out of or in connection with this Agreement (including (without limitation) in relation to any non-contractual obligations).

11. Governing Law

This Agreement shall be governed by and construed in accordance with English law and the parties hereby submit to the exclusive jurisdiction of the English courts. The parties waive any objections to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at the beginning of this Agreement.

SINCLAIR PHARMA PLC

By: CP Spuner
Name: CHRISTOPHER SPUNER
Title: CHIEF EXECUTIVE OFFICER

HUADONG MEDICINE AESTHETICS INVESTMENT (HONGKONG) LIMITED

By: _____
Name:
Title:

HUADONG MEDICINE CO. LTD.

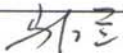
By: _____
Name:
Title:

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at the beginning of this Agreement.


SINCLAIR PHARMA PLC

By: _____
Name:
Title:

HUADONG MEDICINE AESTHETICS INVESTMENT (HONGKONG) LIMITED

By: _____
Name:  Honglan Ma
Title: Director

HUADONG MEDICINE CO. LTD.

By: _____
Name:  Bangliang Li
Title: Chairman

Schedule 1
ANNOUNCEMENT

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

THIS IS AN ANNOUNCEMENT OF A POSSIBLE OFFER UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"). THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, EVEN IF THE PRE-CONDITIONS IN THIS ANNOUNCEMENT ARE SATISFIED.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN FOR THE PURPOSES OF MAR.

28 August 2018

SINCLAIR PHARMA PLC

AGREEMENT WITH HUADONG MEDICINE AESTHETICS INVESTMENT (HONGKONG) LIMITED

Further to the announcements on 5 July 2018 by Sinclair Pharma plc ("**Sinclair**") and Huadong Medicine Co., Limited ("**HMC**"), respectively, regarding a possible offer for Sinclair, the Boards of Sinclair and Huadong Medicine Aesthetics Investment (HongKong) Limited ("**Huadong**"), an indirect wholly-owned subsidiary of HMC, are pleased to announce that they have entered into an agreement dated 28 August 2018 (the "**Offer Agreement**") regarding the terms of a possible offer by Huadong for the entire issued and to be issued share capital of Sinclair at a price of 32 pence per Sinclair Share (the "**Offer Price**") (the "**Possible Offer**").

This is an announcement under Rule 2.4 of the Code. It does not represent a firm intention to make an offer under Rule 2.7 of the Code. Accordingly, while Huadong has agreed with Sinclair in the Offer Agreement that it will announce a firm intention to make an offer under Rule 2.7 of the Code subject to the Pre-Conditions (as defined in paragraph 3 below) being satisfied or, if applicable, waived before 2 October 2018 (or such later date as Huadong and Sinclair may agree) (the "**Pre-Condition Long Stop Date**"), for the purposes of the Code, there can be no certainty that any offer will ultimately be made, even if the Pre-Conditions are satisfied or, if applicable, waived.

In order to allow Huadong time to satisfy the Pre-Conditions (as defined in paragraph 3 below), it is necessary to agree an extension of the deadline by which Huadong is required, under Rule 2.6(c) of the Code, to either announce a firm intention to make an offer for Sinclair in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer.

Therefore, at the request of the Board of Sinclair, the Panel has consented to an extension of the relevant deadline to 5 October 2018.

Accordingly, Huadong must, by no later than 5.00 p.m. on 5 October 2018, either announce a firm intention to make an offer for Sinclair in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be further extended with the consent of the Panel.

1. The Offer

It is intended that the Offer, if made, would be structured as a recommended offer to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2016 (the "**Scheme**"), whereby Huadong would acquire the entire issued and to be issued ordinary share capital of Sinclair at the Offer Price. This would represent a premium of approximately:

- 74.9 per cent. to the Closing Price of 18.3 pence per Sinclair Share on 4 July 2018 (being the last Business Day before the announcement that Sinclair and HMC were in discussions);
- 91.3 per cent. to the volume weighted average price of approximately 16.7 pence per Sinclair Share for the three-month period ending on 4 July 2018 (being the last Business Day before the announcement that Sinclair and HMC were in discussions); and
- 61.6 per cent. to the Closing Price of 19.8 pence per Sinclair Share on 24 August 2018, being the last Business Day before this Announcement.

If, after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared, made or paid or becomes payable in respect of the Sinclair Shares, Huadong reserves the right to reduce the Offer Price by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared, made, paid or payable.

2. Background

Since Sinclair's announcement on 5 July 2018 regarding the approach from HMC, the Boards of Sinclair and HMC have held detailed discussions regarding the terms of the Possible Offer and the prospects of the two businesses leveraging their complementary aesthetic products and operations to realise meaningful synergies.

In connection with the Possible Offer, Huadong and Sinclair have agreed the form of a firm intention to make an offer announcement pursuant to Rule 2.7 of the Code, which sets out the terms and conditions to which the Offer, if made, would be subject (which may be varied by written agreement between Sinclair, Huadong and HMC) (the "**Agreed Form 2.7 Announcement**") the release of which is subject to the terms of the Offer Agreement more fully described in paragraphs 3 and 4 below.

In addition, Huadong intends to implement a management incentive plan (the "**MIP**") under which certain directors, officers and senior managers of Sinclair (the "**MIP Participants**") would be beneficiaries. Further details of the MIP can be found in paragraph 6 below.

Certain directors of Sinclair (being Chris Spooner and Alan Olby) will have a personal interest in the MIP and, consequently, the Possible Offer more generally. As such, the Board of Sinclair has resolved to constitute a committee composed of the Sinclair Independent Directors for the purposes of evaluating the Possible Offer.

Additionally, as the value of the arrangements contemplated by the MIP is significant, the Panel has confirmed that, pursuant to Rules 16.2(b) and 16.2(d) of the Code, the MIP would be subject to the approval of Sinclair Independent Shareholders by way of an ordinary resolution to be proposed at the General Meeting (the "**MIP Resolution**"). As a result of their interest in the MIP, Chris Spooner and Alan Olby would not be entitled to vote their Sinclair Shares on the MIP Resolution at the General Meeting. The requirement for the MIP Resolution to be passed by the requisite majority of Sinclair Independent Shareholders is not capable of being waived by Huadong.

The Sinclair Independent Directors are of the view that the Possible Offer is an attractive proposal which they would be prepared to recommend to Sinclair Shareholders in the event that Huadong releases the Agreed Form 2.7 Announcement at the Offer Price and otherwise on the terms and subject to the conditions set out in the Agreed Form 2.7 Announcement.

3. Pre-conditions to releasing the Agreed Form 2.7 Announcement

The release of the Agreed Form 2.7 Announcement by Huadong is subject to and conditional upon the following pre-conditions (the "**Pre-Conditions**") being satisfied (or, where relevant, waived) before the Pre-Condition Long Stop Date:

- the issuance of:
 - (i) a notice of record-filing from the Zhejiang Provincial National Development & Reform Commission in respect of the Possible Offer; and
 - (ii) a Certificate of Outbound Direct Investment ("**ODI**") from the Department of Commerce of Zhejiang Province in respect of the Possible Offer,

((i) and (ii) together, the "**ODI Pre-Condition**");
- the issuance to Huadong and/or HMC of either:
 - (i) an irrevocable guarantee in a form agreed between HMC and/or Huadong and Industrial and Commercial Bank of China Limited, London Branch ("**ICBC**") (the "**ICBC Bank Guarantee**"); or
 - (ii) an irrevocable guarantee substantially in the form of the ICBC Bank Guarantee by another bank satisfactory to Huadong (acting in good faith) and its financial advisers for the purposes of the Code (an "**Alternative Bank Guarantee**"),

in each case, in respect of the consideration which would be payable pursuant to the terms of the Possible Offer, including (without limitation) pursuant to any offers required to be made pursuant to Rules 14 and/or 15 of the Code (the "**Guarantee Pre-Condition**"); and

- the receipt by Huadong of confirmation of the Board of Sinclair's:
 - (i) intention (or the intention of the Sinclair Independent Directors) to provide its (or their) unanimous, unqualified and unconditional recommendation to Sinclair Shareholders to accept an offer from Huadong to acquire the entire issued and to be issued share capital of Sinclair (having been advised by Sinclair's financial advisers that the financial terms of such offer are fair and reasonable) which is: (a) at not less than the Offer Price (subject to adjustment, if appropriate, as provided above, in respect of any dividend,

distribution and/or return of capital); and (b) subject to the terms and conditions contained in the Agreed Form 2.7 Announcement; and

- (ii) agreement (or the agreement of the Sinclair Independent Directors) that an announcement of the Offer on the terms and subject to the conditions contained in the Agreed Form 2.7 Announcement containing such recommendation may be released,

(together, the "**Recommendation Pre-Condition**").

The ODI Pre-Condition is not capable of being waived by Huadong. The Guarantee Pre-Condition and the Recommendation Pre-Condition may be waived by Huadong, in whole or in part, at any time, at its sole discretion.

If any of the Pre-Conditions are not satisfied or, if applicable, waived before the Pre-Condition Long Stop Date, Huadong will have no obligation to release the Agreed Form 2.7 Announcement. However, there can be no certainty that the Offer will ultimately be made, even if the Pre-Conditions are satisfied or, if applicable, waived. Further information in this respect is provided at paragraph 5 below.

The Board of Sinclair (or the Sinclair Independent Directors) is (or are) not obliged to recommend an offer by Huadong at the Offer Price. It is therefore possible that the Board of Sinclair (or the Sinclair Independent Directors) could decide against making such a recommendation, notwithstanding that the ODI Pre-Condition and the Guarantee Pre-Condition had been satisfied, in which case Huadong would not be required to release the Agreed Form 2.7 Announcement.

HMC, as a Chinese company, is subject to regulations issued by regulatory authorities and governmental bodies of the People's Republic of China relating to outbound direct investment. As a consequence of these regulations and the requirements of the Code, Huadong may release the Agreed Form 2.7 Announcement only once the ODI Pre-Condition and the Guarantee Pre-Condition have been satisfied or waived, as applicable.

4. Obligations and undertakings of Huadong and HMC

Sinclair, Huadong and HMC have entered into the Offer Agreement in respect of the Possible Offer, the principal terms of which are described below.

The Offer Agreement sets out the process for the satisfaction of the Pre-Conditions before the Pre-Condition Long Stop Date. In particular, each of Huadong and HMC has agreed to use its best endeavours to procure the satisfaction of the ODI Pre-Condition and the Guarantee Pre-Condition prior to the Pre-Condition Long Stop Date. If the Pre-Conditions are satisfied (or, if applicable, waived by Huadong) before the Pre-Condition Long Stop Date, Huadong has agreed to announce a firm intention to make an offer for Sinclair in the form of the Agreed Form 2.7 Announcement at a price that is not less than the Offer Price (subject to adjustment, if appropriate, as provided above, in respect of any dividend, distribution and/or return of capital) (the "**Offer**") within 3 Business Days of satisfaction (or waiver by Huadong, as the case may be) of the Pre-Conditions.

In particular, Sinclair Shareholders should note that the Offer, if made, would be conditional upon, among other things:

- the Scheme becoming unconditional and effective (including its approval by a majority of Scheme Shareholders present and voting (in person or by proxy) representing 75 per cent. or more in the value of the Scheme Shares held by such Scheme Shareholders); and

- the passing of the MIP Resolution at the General Meeting, which will require the approval of Sinclair Independent Shareholders controlling more than 50 per cent. of the votes cast at the General Meeting.

The conditions above would not be capable of being waived by Huadong.

The Offer would be made on the terms and subject to the conditions set out in the Agreed Form 2.7 Announcement and to be set out in the Scheme Document.

If the Pre-Conditions are satisfied before the Pre-Condition Long Stop Date and Huadong fails to comply with its obligation to release the Agreed Form 2.7 Announcement, Huadong would not, under the Code, be required to make an offer.

The Offer Agreement will terminate upon:

- the release of the Agreed Form 2.7 Announcement by Huadong;
- the Pre-Conditions not being satisfied by the Pre-Condition Long Stop Date (or, if applicable, waived by Huadong); or
- the failure by Huadong to release the Agreed Form 2.7 Announcement within 3 Business Days of satisfaction (or waiver by Huadong, as the case may be) of the Pre-Conditions in accordance with the Offer Agreement.

Huadong has agreed to pay a break fee of £2,200,000 (the "**Break Fee**") to Sinclair if the Offer Agreement is terminated as a result of: (a) the ODI Pre-Condition not being satisfied (unless not satisfied, in part or in whole, due to a failure by Sinclair to provide any reasonably necessary documentation, information or assistance promptly and within 48 hours following a written request by Huadong where it was within Sinclair's power to provide such documentation, information or assistance, and it was required by any governmental authority for the purposes of the ODI Pre-Condition); or (b) the failure by Huadong to release the Agreed Form 2.7 Announcement within 3 Business Days of satisfaction (or waiver by Huadong, as the case may be) of the Pre-Conditions in accordance with the terms of the Offer Agreement and Sinclair providing Huadong with notice terminating the Offer Agreement.

Except with respect to fraud, Sinclair's right to receive and retain the Break Fee is the sole and exclusive remedy of Sinclair against Huadong and HMC for any and all losses and damages in connection with the Offer Agreement and the transactions contemplated by it.

HMC has guaranteed Huadong's obligations under the Offer Agreement to pay the Break Fee to Sinclair.

In addition, Huadong may terminate the Offer Agreement (without liability to pay the Break Fee) if:

- it has received written advice from a reputable law firm and financial adviser experienced in transactions governed by the Code that any of conditions to the Offer contained in the Agreed Form 2.7 Announcement would, if the Agreed Form 2.7 Announcement had been released, be capable of being invoked or would be incapable of being satisfied, or other facts, matters or circumstances exist, such that Huadong would be entitled to lapse, withdraw, terminate or not proceed with the Offer;

- before the Pre-Condition Long Stop Date, a Competing Transaction is announced that is recommended or proposed by the Board of Sinclair (or the Sinclair Independent Directors);
- the ODI Pre-Condition is not satisfied, in whole or in part, due to a failure by Sinclair to provide any reasonably necessary documentation, information or assistance promptly and within 48 hours following a written request by Huadong where it was within Sinclair's power to provide such documentation, information or assistance, and it was required by any governmental authority for the purposes of the ODI Pre-Condition;
- Huadong is required to obtain an Alternative Bank Guarantee in order to satisfy the Guarantee Pre-Condition and, in such circumstances, the Guarantee Pre-Condition is not satisfied, in whole or in part, because of a failure by Sinclair to provide any reasonably necessary documentation, information or assistance promptly and in any event within 48 hours following a written request by Huadong where it was within Sinclair's power to provide such documentation, information or assistance and it was required by any relevant bank providing an Alternative Bank Guarantee for the purposes of the Guarantee Pre-Condition; or
- at any time before the release of the Agreed Form 2.7 Announcement, the Board of Sinclair notifies (or the Sinclair Independent Directors notify) Huadong that it does not, or they do not, intend to provide a unanimous, unqualified and unconditional recommendation of the Offer.

5. Nature of the Offer Agreement

While Sinclair, Huadong and HMC have entered into an agreement regarding Huadong's obligations in relation to the Possible Offer, this contractual arrangement between the parties does not represent a firm intention on the part of Huadong to make an offer for the purposes of Rule 2.7 of the Code and, for the purposes of the Code, there can be no certainty that any offer will ultimately be made, even if the Pre-Conditions are satisfied or, if applicable, waived.

6. The MIP

Huadong believes that the ongoing participation of certain directors, officers and senior managers of the Sinclair Group is a very important element of the Possible Offer. Accordingly, if the Offer is made and becomes Effective, Huadong intends to put in place certain incentivisation arrangements for the MIP Participants with effect from and/or following the cancellation of the admission to trading on AIM of the Sinclair Shares ("**Cancellation**").

A legally binding term sheet has been entered into between HMC and Huadong on one side, and Chris Spooner and Alan Olby, acting on their own behalf and on behalf of the additional proposed MIP Participants, on the other (the "**MIP Term Sheet**"). The MIP Term Sheet provides detail on the key terms of the MIP, which are as follows:

- the total cash pool potentially payable under the MIP is £25.0 million, the majority of which will be payable based on the satisfaction of performance targets as described below, in respect of the period commencing on Cancellation and ending on 31 December 2023;
- annual payments will be made to the MIP Participants. Half of the total cash pool available (£12.5 million) will be split across five periods starting with the period from Cancellation to 31 December 2018 and each fiscal year thereafter to 31 December 2022.

The remaining £12.5 million will payable based on the achievement of the performance target for the fiscal year 2023 alone;

- the first payment of £3.5 million will be made in 2019 in respect of the period between Cancellation and 31 December 2018 and no specific performance target will apply to that payment. Annual payments to MIP Participants in respect of each fiscal year thereafter to 31 December 2023 will be made subject to the achievement of specific performance targets for each of those years;
- the specific performance targets for the fiscal years 2019 to 2023 are annual net income targets that have been agreed between the parties to the MIP Term Sheet;
- if the net income target for a particular fiscal year is not achieved, the cash pool for that year will be nil;
- if the performance target for any fiscal year, starting with the 2020 fiscal year, is not achieved, but the performance target for the subsequent fiscal year is achieved, any excess in the second fiscal year can be rolled backwards and counted towards the performance target in the previous fiscal year; and
- it is expected that there will be initially 14 MIP Participants, including Chris Spooner and Alan Olby.

As a result of their respective interests in the MIP, Chris Spooner and Alan Olby are not considered to be independent for the purposes of the Code. If the Offer is made, each of them (and their respective connected persons) will not be entitled to vote on the MIP Resolution at the General Meeting. Each of them has irrevocably undertaken to vote, or procure the vote, in favour of the Scheme and the other Resolution(s) to be proposed at the General Meeting (other than the MIP Resolution) in respect of his entire shareholding of Sinclair Shares.

For the purposes of Rule 16.2 of the Code, Rothschild and Peel Hunt have confirmed that, in their opinion, the terms of the MIP are fair and reasonable so far as the Sinclair Independent Shareholders are concerned. In providing their opinion, Rothschild and Peel Hunt have taken into account the commercial assessments of the Sinclair Independent Directors. The Offer, if made, will be conditional, amongst other things, upon the passing of the MIP Resolution by the requisite majority of the Sinclair Independent Shareholders at the General Meeting to be held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as they and Sinclair may agree and the Court may allow).

7. Position of the Sinclair Independent Directors

The Sinclair Independent Directors believe that the level of the cash consideration being proposed by Huadong is such that it is in Sinclair Shareholders' interests to progress matters with Huadong to the point where the Offer can be made.

Accordingly, the Sinclair Independent Directors would expect to recommend the Offer at the Offer Price, if made.

8. Irrevocable undertakings and letter of intent

Huadong has received irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept, or procure acceptance of, the

Contractual Offer) from the Sinclair Independent Directors in respect of their own beneficial holdings of 1,050,000 Sinclair Shares representing, in aggregate, approximately 0.21 per cent. of the issued ordinary share capital of Sinclair on 24 August 2018 (being the last Business Day prior to this Announcement).

In addition to the irrevocable undertakings from the Sinclair Independent Directors, Chris Spooner and Alan Olby have also irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept, or procure acceptance of, the Contractual Offer), in respect of their own beneficial holdings of 10,908,779 Sinclair Shares representing, in aggregate, approximately 2.17 per cent. of the issued ordinary share capital of Sinclair on 24 August 2018 (being the last Business Day prior to this Announcement).

Irrevocable undertakings have also been received from Lansdowne Developed Markets Master Fund Limited and funds managed by Abingworth LLP to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept, or procure acceptance of, the Contractual Offer) in respect of their entire beneficial holdings of Sinclair Shares amounting, in aggregate, to 88,876,793 Sinclair Shares, representing approximately 17.6 per cent. of the issued ordinary share capital of Sinclair on 24 August 2018 (being the last Business Day prior to this Announcement).

In addition, Huadong has received a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept, or procure acceptance of, the Contractual Offer) from funds managed by Toscafund Asset Management LLP, controlling, in aggregate, approximately 29.5 per cent. of the issued ordinary share capital of Sinclair on 24 August 2018 (being the last Business Day prior to this Announcement).

In total, therefore, irrevocable undertakings and a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of, such Contractual Offer) have been received from Sinclair Shareholders controlling, in aggregate, 249,449,175 Sinclair Shares, representing approximately 49.5 per cent. of the issued ordinary share capital of Sinclair on 24 August 2018 (being the last Business Day prior to this Announcement).

Irrevocable undertakings and a letter of intent to vote, or procure the vote, in favour of the MIP Resolution at the General Meeting have been received from Sinclair Shareholders controlling, in aggregate, 238,540,396 Sinclair Shares, representing approximately 47.4 per cent. of the issued ordinary share capital of Sinclair as at 24 August 2018 (being the last Business Day prior to this Announcement).

Appendix 2 to this Announcement contains details of the irrevocable undertakings and the letter of intent received by Huadong.

9. Information on Huadong, HMC, CGE and Hangzhou Huadong

• Huadong

Huadong is a company incorporated under the laws of Hong Kong and is indirectly wholly owned by HMC. Huadong has not traded prior to the date of this Announcement, nor has it entered into any obligation other than in connection with the Possible Offer.

- **HMC**

Headquartered in Hangzhou, China, HMC is publicly traded on the Shenzhen Stock Exchange under the number 000963. HMC has a market capitalisation of approximately US\$9.7 billion as at the close of business on 24 August 2018 (being the last Business Day prior to this Announcement).

HMC is a manufacturer and distributor of pharmaceutical and other medical products in China. HMC generated approximately US\$4.3 billion of revenue in the financial year ending 31 December 2017.

HMC, through its subsidiary Huadong Ningbo Co. Ltd, also has over five years of experience in the aesthetics business, offering botulinum toxin products and fillers.

HMC's largest shareholder is China Grand Enterprises, Inc.

- **China Grand Enterprises, Inc. ("CGE")**

CGE is privately owned and is headquartered in Beijing. As an investment company, CGE's core businesses cover: (i) pharmaceuticals and healthcare; (ii) commodities trading; (iii) real estate investment; and (iv) financial services.

CGE is ranked in the top five enterprises in the Chinese pharmaceutical industry and reported consolidated sales of approximately US\$5.6 billion for the financial year ending 31 December 2017. It controls and manages over 40 pharmaceutical subsidiary companies, including HMC, in which it holds approximately 41.8 per cent. of the issued share capital as at the close of business on 20 August 2018 (being the latest practicable date prior to this Announcement).

CGE's largest shareholder is Beijing Yuanda Huachuang Investment Co., Ltd ("**BJYHIC**") which holds approximately 93 per cent. of the issued share capital of CGE as at the close of business on 21 August 2018 (being the latest practicable date prior to this Announcement). Mr. Hu Kaijun is the sole shareholder of BJYHIC and Chairman of the Board of CGE.

- **Hangzhou Huadong Medicine Group Co. Ltd. ("Hangzhou Huadong")**

Headquartered in Hangzhou, China, Hangzhou Huadong holds approximately 16.5 per cent. of the issued share capital of HMC as at the close of business on 20 August 2018 (being the latest practicable date prior to this Announcement) and is its second largest shareholder. Hangzhou Huadong is a Chinese pharmaceutical company with revenues of approximately US\$2.15 million. The sole shareholder of Hangzhou Huadong is the Hangzhou Municipal Government.

10. General

Appendix 1 contains the definitions of certain terms used in this Announcement. Appendix 2 contains details of the irrevocable undertakings and letter of intent received by Huadong. Appendix 3 contains bases and sources of certain information contained in this Announcement.

This Announcement has been made with the approval of Sinclair and a further announcement will be made in due course.

A copy of this Announcement will be available on Sinclair's website at <https://www.sinclairpharma.com/investors/possible-offer-for-the-company> and on Huadong's website at http://www.eastchinapharm.com/En/News/Sinclair_Notice.

Enquiries

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Neil Mackison

Graeme Smethurst

Rothschild, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Sinclair and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Sinclair for providing the protections afforded to clients of Rothschild, nor for providing advice in relation to the matters referred to herein. Neither Rothschild nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild in connection with the matters referred to in this Announcement, or otherwise.

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Sinclair and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Sinclair for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the matters referred to in this Announcement, or otherwise.

Piper Jaffray, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Huadong and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other

than Huadong for providing the protections afforded to clients of Piper Jaffray, nor for providing advice in relation to the matters referred to herein. Neither Piper Jaffray nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Piper Jaffray in connection with the matters referred to in this Announcement, or otherwise.

Jones Day is retained as legal adviser to Huadong.

Eversheds Sutherland (International) LLP is retained as legal adviser to Sinclair.

IMPORTANT NOTES

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to sell or purchase any securities, or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Possible Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Sinclair in any jurisdiction in contravention of applicable law. The Offer, if made, will be effected solely through the Scheme Document (or, if the Offer, if made, is implemented by way of a Contractual Offer, the offer document) which will contain the full terms and conditions of the Offer, if made. Any vote, decision in respect of, or other response to, the Scheme (or the Contractual Offer, if applicable) should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each Sinclair Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer, if made, applicable to them.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Sinclair Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, if the Court Meeting takes place, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Possible Offer, disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Offer, if made, to persons who are not resident in the United Kingdom may be restricted by the laws and/or regulations of the relevant jurisdictions in which they are located. The Offer, if made, will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document (if the Offer is made).

This Announcement has been prepared pursuant to and for the purpose of complying with the laws of England and Wales, the AIM Rules, the Code and the Rules of the London Stock Exchange and the information disclosed may not be the same as that which would have been

disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Copies of this Announcement and any formal documentation relating to the Offer, if made, will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer, if made. If the Offer, if made, is implemented by way of a Contractual Offer (unless otherwise permitted by applicable law or regulation), the Contractual Offer may not be made, directly or indirectly, in or into or from any Restricted Jurisdiction.

The Offer, if made, will relate to the shares of an English company and it is proposed to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme will relate to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies.

However, if Huadong were to elect to implement the Offer, if made, by means of a Contractual Offer, such Contractual Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Contractual Offer would be made in the US by Huadong and no one else.

In accordance with normal UK practice, Huadong or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Sinclair Shares, other than pursuant to the Offer, if made, until the date on which the Scheme (or Contractual Offer, if applicable) becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Please be aware that addresses, electronic addresses and certain other information provided by Sinclair Shareholders, persons with information rights and other relevant persons for the receipt of communications from Sinclair may be provided to Huadong during the Offer Period (as required under Section 4 of Appendix 4 of the Code) to comply with Rule 2.11 of the Code.

Publication on website

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Possible Offer will, subject to certain restrictions, be available for inspection on Huadong's website at http://www.eastchinapharm.com/En/News/Sinclair_Notice and by Sinclair on its website at <https://www.sinclairpharma.com/investors/possible-offer-for-the-company> no later than 12 noon (London time) on the day following this Announcement. The contents of the websites

referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Possible Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Huadong by contacting Bo Chen at pretor@hdpharm.com, telephone number +86 571 89903290 or Sinclair by contacting Andy Crane at Sinclair, telephone number +44 (0) 20 7467 6920.

Sinclair Shares

As at close of business on 24 August 2018 (being the last Business Day prior to this Announcement), there were 503,768,952 Sinclair Shares in issue and admitted to trading on AIM. The ISIN for the Sinclair Shares is GB0033856740.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Possible Offer and other information published by Huadong and Sinclair contain certain statements, trends, expectations, forecasts, estimates, or other forward looking information affecting or relating to Sinclair or Huadong or their respective industries, products or activities. Forward-looking statements speak only as to the date of this document and may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "hopes," "anticipates," "aims," "plans," "estimates," "projects," "targets," "intends," "forecasts," "outlook," "impact," "potential," "confidence," "improve," "continue," "optimistic," "deliver," "comfortable," "trend", and "seeks," or the negative of such terms or other variations on such terms or comparable terminology. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Sinclair and/or Huadong, as the case may be, in light of their experience and their perception of historical trends, current conditions, future developments and other factors that they believe appropriate.

By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements are unknown.

Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or limitations, competitive factors, technology advances, actions of regulatory agencies, future exchange and interest rates and changes in laws, government regulations, labelling or product approvals or the application or interpretation thereof. Other risk factors are described herein and in HMC's and Sinclair's other respective filings, including in Sinclair's annual reports and accounts for the year ended 31 December 2017. Many of these important factors are outside of Huadong's or, as the case may be, Sinclair's control. No assurances can be provided as to any result or the timing of any outcome regarding matters described herein or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning

letters, cost reductions, business strategies, earnings or revenue trends or future financial results. Other potential risks and uncertainties that could cause results to differ materially from those in the forward-looking statements include, without limitation: (a) the receipt of approval of Sinclair's shareholders; (b) any regulatory approvals required for the transaction not being obtained on the terms expected or on the anticipated schedule; (c) the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction; (d) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all and to successfully integrate Sinclair's operations into those of HMC; (e) the integration of Sinclair's operations into those of Huadong being more difficult, time-consuming or costly than expected; (f) operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, being greater than expected following the transaction; (g) the retention of certain key employees of Sinclair being difficult; (h) changes in tax laws or interpretations that could increase tax liabilities, including, if the transaction is consummated; (i) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated; (j) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, or other requirements or standards may delay, limit or prevent new product introductions, affect the production and marketing of existing products or services or otherwise affect performance, results, prospects or value; (k) the potential of international unrest, economic downturn or effects of currencies, tax assessments, adjustments or anticipated rates, benefit or retirement plan costs, or other regulatory compliance costs; (l) the possibility of reduced demand, or reductions in the rate of growth in demand, for products and services; (m) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labour, competition, timing, execution, regulatory, governmental, or other issues or risks associated with the respective businesses of Huadong and Sinclair, industry or initiatives may adversely impact performance, results, prospects or value; (n) the possibility that anticipated financial results or benefits of recent acquisitions will not be realised or will be other than anticipated; and (o) the effects of contractions in credit availability, as well as the ability of Sinclair's, and HMC's and Huadong's respective customers and suppliers to adequately access the credit markets when needed.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and investors are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of the relevant document. Neither Sinclair nor Huadong assume any obligation to update or correct the information contained in the relevant document (whether as a result of new information, future events or otherwise), except as required by applicable law.

Given the risks and uncertainties, undue reliance should not be placed on forward-looking statements as a prediction of actual results. Should one or more of the risks or uncertainties mentioned materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant documents. Sinclair, HMC and their affiliated companies assume no obligation to update or correct the information contained in the relevant documents, whether as a result of new information, future events or otherwise, except to the extent legally required. The statements contained in this Announcement and any documents referred to or incorporated herein are made as at the date of such documents, unless some other time is specified in relation to them, and service of the relevant documents shall not give rise to any implication that there has been no change in the facts set out in such documents since such date(s).

No profit forecast

No statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that earnings per share for Huadong or Sinclair for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Huadong or Sinclair.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Appendix 1

Definitions

In this Announcement, the following words and expressions have the following meanings unless the context requires otherwise:

"AIM"	the market of that name operated by the London Stock Exchange
"Announcement"	this announcement made in accordance with Rule 2.4 of the Code
"Articles"	the articles of association of Sinclair from time to time
"Board"	the board of directors of the relevant company
"Business Day"	a day, other than a Saturday, Sunday or public holiday in the UK, on which banks are open for non-automated business in the City of London
"Closing Price"	unless otherwise stated, the closing middle market quotation derived from the AIM Appendix to the Daily Official List
"Code"	the City Code on Takeovers and Mergers
"Companies Act"	the Companies Act 2006
"Competing Transaction"	<p>(a) any offer (including a partial offer), possible offer, tender offer, merger, acquisition, scheme of arrangement, dual listed company structure, reverse takeover, business combination or proposal from, or on behalf of, any Third Party, whether or not subject to any pre-conditions and howsoever to be implemented, with a view to such Third Party, directly or indirectly acquiring, when aggregated with the shares already held by such Third Party and any person acting in concert with such Third Party, thirty (30) per cent. or more of the issued share capital of Sinclair;</p> <p>(b) the acquisition or disposal, directly or indirectly, by or on behalf of, any Third Party or Third Parties of all or a significant proportion (being thirty (30) per cent. or more) of the business, assets and/or undertakings of the Sinclair Group calculated by reference to any of its revenue, profits or value taken as a whole;</p> <p>(c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being thirty (30) per cent. or more) of the Sinclair Group calculated by reference to any of its revenue, profits or value taken as a whole; or</p> <p>(d) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede, delay or prejudice implementation of the Offer (including, for the avoidance of doubt, any transaction or arrangement which would require the</p>

approval of shareholders pursuant to Rule 21.1 of the Code or the AIM Rules for Companies),

in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise and which is not effected by or on behalf of Huadong, or any other person acting at the direction of Huadong, or any person who has an agreement or understanding (whether informal or formal) with Huadong to cooperate, obtain or consolidate control of Sinclair

"Contractual Offer"	a takeover offer within the meaning of Part 28 of the Companies Act
"Court"	the High Court of Justice in England and Wales
"Court Meeting"	if the Offer is made, the meeting of Sinclair Shareholders to be convened by order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment), and any adjournment thereof
"Daily Official List"	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
"Dealing Disclosure"	has the same meaning as in Rule 8 of the Code
"Effective"	in the context of the Offer, if made: (i) if the Offer is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Scheme Court Order to the Registrar of Companies; or (ii) if the Offer is implemented by way of a Contractual Offer, the Contractual Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code
"Effective Date"	if the Offer is made, the date on which the Offer becomes Effective in accordance with its terms
"Excluded Shares"	(i) any Sinclair Shares beneficially owned by Huadong or any parent or subsidiary undertaking (as defined in the Companies Act) of Huadong and (ii) any Sinclair Shares held in treasury by Sinclair
"General Meeting"	if the Offer is made, the meeting of Sinclair Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof
"London Stock Exchange"	London Stock Exchange plc
"MIP Resolution"	if the Offer is made, the Resolution to be proposed by Sinclair at the General Meeting in connection with the approval of the MIP
"Offer"	has the meaning given to it in paragraph 4 of this Announcement

"Offer Period"	the offer period (as defined by the Code) relating to Sinclair, which commenced on 5 July 2018 and ending on the earlier of (i) the date on which the Scheme becomes Effective, lapses or is withdrawn (or such other date as the Panel may decide) and (ii) the date on which Huadong announces it does not intend to make an offer for Sinclair under Rule 2.8 of the Code
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Code
"Overseas Shareholders"	Sinclair Shareholders (or nominees, or custodians or trustees of Sinclair Shareholders) who are resident in, or nationals or citizens of jurisdictions outside the UK or who are citizens or residents of countries other than the UK
"Panel"	the Panel on Takeovers and Mergers
"Peel Hunt"	Peel Hunt LLP, joint financial adviser, Nominated Adviser and Joint Broker to Sinclair
"Piper Jaffray"	Piper Jaffray Ltd, financial adviser to Huadong
"Registrar of Companies"	registrar of companies in England and Wales
"Regulatory Information Service"	any of the services set out in Appendix III to the UK Listing Authority's Listing Rules
"Resolutions"	(i) the resolution(s) to be proposed by Sinclair at the General Meeting in connection with, among other things the approval of the Scheme, the alteration of the Articles and such other matters as may be necessary to implement the Scheme and the Cancellation; and (ii) the MIP Resolution, and "Resolution" shall be construed accordingly
"Restricted Jurisdiction"	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Huadong or Sinclair regards as unduly onerous
"Rothschild"	N.M. Rothschild & Sons Limited, lead financial adviser to Sinclair
"Scheme Court Hearing"	if the Offer is made, the hearing of the Court to sanction the Scheme
"Scheme Court Order"	if the Offer is made, the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
"Scheme Document"	the document to be sent to Sinclair Shareholders if the Offer is made, containing, among other things, the Scheme and the notices convening the Court Meeting and the General Meeting
"Scheme Record"	the date and time specified in the Scheme Document, expected to be, if the Offer is made, 6.00 p.m. London Time on the Business

"Time"	Day immediately before, or after, the Scheme Court Hearing
"Scheme Shareholders"	a holder of Scheme Shares as appearing in the register of Sinclair at the Scheme Record Time
"Scheme Shares"	the Sinclair Shares: (i) in issue at the date of the Scheme Document; (ii) issued after the date of the Scheme Document but before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be, or shall have agreed in writing by such time to be, bound by the Scheme, in each case, excluding any Excluded Shares
"Sinclair Group"	Sinclair and its subsidiaries and subsidiary undertakings
"Sinclair Independent Directors"	the directors of Sinclair who do not have a personal interest in the MIP, being Grahame Cook and Jeffery Thompson
"Sinclair Independent Shareholders"	the Sinclair Shareholders other than Chris Spooner, Alan Olby and the other MIP Participants
"Sinclair Share(s)"	the existing unconditionally allotted or issued and fully paid ordinary shares of one pence each in the capital of Sinclair and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective
"Sinclair Shareholders"	the holders of Sinclair Shares
"Third Party"	a third party which is not a person who is, or is presumed to be, acting in concert (as defined in the Code) with Huadong
"Voting Record Time"	if the Offer is made, the date and time to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined

Appendix 2

IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

Shareholder Irrevocable Undertakings

The following Sinclair Shareholders have, on the basis set out below, given irrevocable undertakings to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting or, as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Shareholder	Number of Sinclair Shares in respect of which undertaking is given	Percentage of existing issued share capital of Sinclair
Lansdowne Developed Markets Master Fund Limited	59,987,523	11.91%
Funds managed by Abingworth LLP	28,889,270	5.73%
Total	88,876,793	17.64%

Each of the irrevocable undertakings referred to above will only cease to be binding if:

- the Agreed Form 2.7 Announcement is not released by Huadong within three Business Days of the Pre-Condition Long Stop Date or such later date as Huadong and Sinclair may agree; or
- the Scheme (or, if made, a Contractual Offer) lapses or is withdrawn in accordance with its terms and at or before the time of such lapse or withdrawal, Huadong has not publicly confirmed that it intends to implement the Offer by way of a Contractual Offer or otherwise.

Director Irrevocable Undertakings

The following Sinclair Independent Directors have also, on the basis set out below, given irrevocable undertakings to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, or as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Director or connected person	Number of Sinclair Shares in respect of which undertaking is given	Percentage of existing issued share capital of Sinclair
Grahame Cook	700,000	0.14%
Jeffery Thompson	350,000	0.07%
Total	1,050,000	0.21%

Chris Spooner and Alan Olby have also, on the basis set out below, given irrevocable undertakings to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (other than the MIP Resolution, on which they are not entitled to vote as a result of their interest in the MIP), or as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Director or connected person	Number of Sinclair Shares in respect of which undertaking is given	Percentage of existing issued share capital of Sinclair
Chris Spooner	10,440,479	2.07%
Alan Olby	468,300	0.09%
Total	10,908,779	2.17%

The irrevocable undertakings from the Sinclair Independent Directors, Chris Spooner and Alan Olby will only cease to be binding if:

- the Agreed Form 2.7 Announcement is not released by Huadong within three Business Days of the Pre-Condition Long Stop Date or such later date as Huadong and Sinclair may agree;
- if the Sinclair Shareholders, having voted at the Court Meeting and at the General Meeting, do not approve the Scheme or any Resolution, respectively, by the requisite majority; or
- the Scheme lapses or is withdrawn in accordance with its terms and at or before the time of such lapse or withdrawal, Huadong has not publicly confirmed that it intends to implement the Possible Offer by way of takeover offer within the meaning of section 974 of the Companies Act 2006 or otherwise.

Letter of Intent

The following Sinclair Shareholder has, on the basis set out below, given a letter of intent to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting or, as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Shareholder	Number of Sinclair Shares in respect of which letter of intent is given	Percentage of existing issued share capital of Sinclair
Funds managed by Toscafund Asset Management LLP	148,613,603	29.50%

Appendix 3

BASES AND SOURCES OF INFORMATION

1. Unless otherwise stated, financial information relating to HMC has been extracted or derived (without any adjustment) from HMC's annual report and accounts for the year ended 31 December 2017.
2. References to percentages of Sinclair Shares (before completion of the Offer) are based upon the current undiluted number of Sinclair Shares in issue referred to in paragraph 3 of this Appendix 3.
3. Sinclair confirms that, as at the close of business on 24 August 2018, being the latest practicable date prior to this Announcement, Sinclair had in issue 503,768,952 Sinclair Shares (being its undiluted share capital) and this does not include any shares issuable pursuant to any options, warrants or other convertible securities in Sinclair and assumes no further issue of Sinclair Shares prior to completion of the Offer.
4. Sinclair confirms that, as at the close of business on 24 August 2018, being the latest practicable date prior to this Announcement, Sinclair had in issue nil-cost options over 3,020,199 Sinclair Shares pursuant to the VCP and convertible loan notes with a nominal value of £3,584,000 that could accrue total interest of £238,017 at a rate of 8.0 per cent. per annum by 21 December (being the latest date by which, if the Offer is made, the Scheme may become Effective), which could be convertible at a price of 28.0 pence per Sinclair Share into 13,650,060 Sinclair Shares. Sinclair confirms that it holds no Sinclair Shares in treasury.
5. The total value of the Offer of approximately £166.5 million has been calculated on the basis of the information contained in paragraphs 3 and 4 of this Appendix 3.
6. Volume weighted average prices are derived from Bloomberg.
7. Sinclair confirms that, as at the close of business on 24 August 2018, being the latest practicable date prior to this Announcement, the total value of the Sinclair Shares referred to in paragraph 3 above at the Offer Price plus the value of the options and convertible loan notes in paragraph 4 above at the Offer Price plus the maximum payment to be made under the Sinclair 2013 Bonus Plan assuming all awards are accelerated and vest in full at the Offer Price and at the exchange rates detailed in paragraph 8 below is £168,927,146.
8. The maximum payment to be made under the Sinclair 2013 Bonus Plan assuming all awards are accelerated and vest in full at the Offer Price is based on a GBP:US\$ exchange rate of 1.2846, as derived from Bloomberg as of 6.00 p.m. London time on 24 August 2018 (being the last Business Day prior to this Announcement) and a GBP:EUR exchange rate of 1.1055, as derived from Bloomberg as of 6.00 p.m. London time on 24 August 2018 (being the last Business Day prior to this Announcement).
9. The revenue figures for HMC, CGE and Hangzhou Huadong in paragraph 9 of this Announcement are based on US\$:CNY exchange rate of 6.5068, as derived from Bloomberg, as of 6.00 p.m. London time on 29 December 2017 (being the last Business Day of 2017).
10. HMC's market capitalisation is derived from Bloomberg and converted into US\$ based on US\$:CNY exchange rate of 6.8105, as derived from Bloomberg, as of 6.00

p.m. London time on 24 August 2018 (being the last Business Day prior to this Announcement).

11. Certain figures included in this Announcement have been subject to rounding adjustments.

Schedule 2

RULE 2.7 ANNOUNCEMENT

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN FOR THE PURPOSES OF MAR.

[●] 2018

RECOMMENDED CASH OFFER

for

Sinclair Pharma plc ("Sinclair ")

by

Huadong Medicine Aesthetics Investment (HongKong) Limited ("Huadong")

(a newly incorporated company indirectly wholly-owned by Huadong Medicine Co., Ltd. ("HMC"))

intended to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

Summary

On 5 July 2018, the Board of Sinclair announced that it had received an approach from HMC regarding a possible offer for Sinclair. On 28 August 2018, the Boards of Sinclair and Huadong announced that they had entered into an agreement (the "**Offer Agreement**") regarding the terms of a possible offer by Huadong for the entire issued and to be issued share capital of the Sinclair (the "**Possible Offer**"). The terms of that agreement specified that the announcement by Huadong of a firm intention to make an offer for Sinclair was subject to the satisfaction of certain pre-conditions, including in relation to the financing of the Possible Offer. On [●] 2018, it was confirmed that these pre-conditions had been satisfied and, accordingly, the Sinclair Independent Directors and Huadong are pleased to announce that they have reached agreement on the terms of a recommended cash offer by Huadong to acquire the entire issued and to be issued share capital of Sinclair. The Offer is intended to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (the "**Scheme**"). Huadong reserves the right to elect to implement the Offer by way of a Contractual Offer, subject to the terms of the Offer Agreement and the Panel's consent, if required.

Under the terms of the Offer, each Sinclair Shareholder will be entitled to receive:

32 pence in cash for each Sinclair Share

- The Offer values the entire issued and to be issued share capital of Sinclair at approximately £166.54 million and represents a premium of approximately:
 - [●] per cent. to the Closing Price of [●] pence per Sinclair Share on [●] August 2018 (being the last Business Day before the announcement of the Possible Offer);

- 74.9 per cent. to the Closing Price of 18.3 pence per Sinclair Share on 4 July 2018 (being the last Business Day before the announcement that Sinclair and HMC were in discussions);
 - 91.3 per cent. to the volume weighted average Closing Price of 16.7 pence per Sinclair Share for the three-month period ending on 4 July 2018 (being the last Business Day before the announcement that Sinclair and HMC were in discussions); and
 - [●] per cent. to the Closing Price of [●] pence per Sinclair Share on [●] 2018, being the last Business Day before this Announcement.
- The Offer is conditional, amongst other things:
 - on the Scheme becoming unconditional and Effective (including, without limitation, its approval by a majority of Scheme Shareholders present and voting (in person or by proxy) representing 75 per cent. or more in the value of the Scheme Shares held by such Scheme Shareholders); and
 - the passing of the MIP Resolution at the General Meeting, which will required the approval of Sinclair Independent Shareholders controlling more than 50 per cent. of the votes cast at the General Meeting. This Condition is not capable of being waived by Huadong.
 - The Offer is subject to the terms and conditions set out in Appendix 2 to this Announcement and to be set out in the Scheme Document.
 - As certain Sinclair Directors, being Chris Spooner and Alan Olby, will have a personal interest in the MIP (and consequently the Offer more generally), the Board of Sinclair has constituted a committee comprised of the Sinclair Independent Directors for the purpose of evaluating and recommending the Offer.
 - As a result of their interest in the MIP, Chris Spooner and Alan Olby are not entitled to vote their Sinclair Shares on the MIP Resolution.
 - The Sinclair Independent Directors, who have been so advised by Rothschild and Peel Hunt as to the financial terms of the Offer, unanimously consider the terms of the Offer to be fair and reasonable. In providing their advice to the Sinclair Independent Directors, Rothschild and Peel Hunt have taken into account the commercial assessments of the Sinclair Independent Directors. Rothschild and Peel Hunt are providing independent financial advice to the Sinclair Independent Directors for the purpose of Rule 3 of the Code.
 - In addition, the Sinclair Independent Directors consider the terms of the Offer to be in the best interests of the Sinclair Shareholders as a whole. Accordingly, the Sinclair Independent Directors intend unanimously to recommend that Sinclair Shareholders vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting. Huadong has received irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from the Sinclair Independent Directors in respect of their own beneficial holdings of 1,050,000 Sinclair Shares representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).
 - In addition to the irrevocable undertakings from the Sinclair Independent Directors, Chris Spooner and Alan Olby have also irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolution(s) (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or

procure acceptance of the Contractual Offer), in respect of their own beneficial holdings of 10,908,779 Sinclair Shares representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement),

- Irrevocable undertakings have also been received from Lansdowne Developed Markets Master Fund Limited and funds managed by Abingworth LLP to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) in respect of their entire beneficial holdings of Sinclair Shares amounting, in aggregate, to 88,876,793 Sinclair Shares, representing approximately [17.6] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).
- In addition, Huadong has received a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from funds managed by Toscafund Asset Management LLP, controlling, in aggregate, approximately [29.5] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).
- In total, therefore, irrevocable undertakings and a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) have been received from Sinclair Shareholders controlling, in aggregate, 249,449,175 Sinclair Shares, representing approximately [49.5] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).
- Irrevocable undertakings and a letter of intent to vote, or procure the vote, in favour of the MIP Resolution at the General Meeting have been received from Sinclair Shareholders controlling, in aggregate, 238,540,396 Sinclair Shares, representing approximately [47.4] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).
- The Offer is also subject to the Conditions and further terms set out in Appendix 2 to this Announcement, including the sanction of the Scheme by the Court, and to the full terms and conditions to be set out in the Scheme Document.
- The Scheme Document, containing further information about the Offer and the Scheme and notices convening the Court Meeting and the General Meeting, will be published in due course and, in any event, within 28 days of the date of this Announcement (unless otherwise agreed with the Panel), and will be made available by Huadong on its website at http://www.eastchinapharm.com/En/News/Sinclair_Notice and by Sinclair on its website at <https://www.sinclairpharma.com/investors/recommended-offer-for-the-company>.

Commenting on the Offer, Grahame Cook, the Chairman of Sinclair, said:

"The cash offer announced today represents a compelling proposition for Sinclair Shareholders and other stakeholders. The Board continues to believe that the prospects for Sinclair are excellent. However, Huadong's offer for Sinclair allows Sinclair Shareholders to crystallise future cash value today. In making the recommendation to Sinclair Shareholders we have taken into account business execution risk of our global roll-out and the challenge of operating in a large global market with finite capital resources."

Commenting on the Offer, Mr. Bangliang Li, the Chairman of HMC, said:

"As a listed company with a history of over 20 years and with achievements in the high quality specialty drugs area and the aesthetic medicine market, HMC considers Sinclair's portfolio of aesthetic medicine products and global presence to be highly attractive and complementary. This acquisition will provide HMC with direct access to overseas markets, to which HMC attaches great importance. We are excited at the prospect of working together with Sinclair's management team to build a leading global aesthetics medicine business and realising the synergies between our organizations."

This summary should be read in conjunction with, and is subject to, the following full Announcement and the Appendices. The Conditions and certain further terms of the Offer are set out in Appendix 2 to this Announcement. Appendix 1 contains the definitions of certain terms used in this Announcement. Appendix 3 contains details of the irrevocable undertakings and the letter of intent given to Huadong. Appendix 4 contains bases and sources of certain information contained in this Announcement.

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Rothschild, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Sinclair and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Sinclair for providing the protections afforded to clients of Rothschild, nor for providing advice in relation to the matters referred to herein. Neither Rothschild nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild in connection with the matters referred to in this Announcement, or otherwise.

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Sinclair and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Sinclair for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the matters referred to in this Announcement, or otherwise.

Piper Jaffray, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Huadong and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Huadong for providing the protections afforded to clients of Piper Jaffray, nor for providing advice in relation to the matters referred to herein. Neither Piper Jaffray nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Piper Jaffray in connection with the matters referred to in this Announcement, or otherwise.

Jones Day is retained as legal adviser to Huadong.

Eversheds Sutherland (International) LLP is retained as legal adviser to Sinclair.

IMPORTANT NOTES

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to sell or purchase any securities, or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Sinclair in any jurisdiction in contravention of applicable law. The Offer will be effected solely through the Scheme Document (or, if the Offer is implemented by way of a Contractual Offer, the offer document) which will contain the full terms and conditions of the Offer. Any vote, decision in respect of, or other response to, the Scheme (or the Contractual Offer, if applicable) should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each Sinclair Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer applicable to them.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Sinclair Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer, disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Offer to persons who are not resident in the United Kingdom may be restricted by the laws and/or regulations of the relevant jurisdictions in which they are located. The Offer will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

This Announcement has been prepared pursuant to and for the purpose of complying with the laws of England and Wales, the AIM Rules, the Code and the Rules of the London Stock Exchange and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Copies of this Announcement and formal documentation relating to the Offer will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer. If the Offer is implemented by way of a Contractual Offer (unless otherwise permitted by applicable law or regulation), the Contractual Offer may not be made, directly or indirectly, in or into or from any Restricted Jurisdiction.

The Offer relates to the shares of an English company and it is proposed to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme will relate to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the

shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies.

However, if Huadong were to elect to implement the Offer by means of a Contractual Offer, such Contractual Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Contractual Offer would be made in the US by Huadong and no one else.

In accordance with normal UK practice, Huadong or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Sinclair shares, other than pursuant to the Offer, until the date on which the Scheme (or Contractual Offer, if applicable) becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Please be aware that addresses, electronic addresses and certain other information provided by Sinclair Shareholders, persons with information rights and other relevant persons for the receipt of communications from Sinclair may be provided to Huadong during the Offer Period (as required under Section 4 of Appendix 4 of the Code) to comply with Rule 2.11(c) of the Code.

Publication on website

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Offer will, subject to certain restrictions, be available for inspection on Huadong's website at http://www.eastchinapharm.com/En/News/Sinclair_Notice and by Sinclair on its website at <https://www.sinclairpharma.com/investors/recommended-offer-for-the-company> no later than 12 noon (London time) on the day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Huadong by contacting Bo Chen at Huadong, telephone number +86 571 89903290 or Sinclair by contacting Andy Crane at Sinclair, telephone number +44 (0) 20 7467 6920.

Sinclair Shares

As at close of business on [●] 2018 (being the last Business Day prior to this Announcement), there were [●] Sinclair Shares in issue and admitted to trading on AIM. The ISIN for the Sinclair Shares is GB0033856740.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer and other information published by Huadong and Sinclair contain

certain statements, trends, expectations, forecasts, estimates, or other forward looking information affecting or relating to Sinclair or Huadong or their respective industries, products or activities. Forward-looking statements speak only as to the date of this document and may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "hopes," "anticipates," "aims," "plans," "estimates," "projects," "targets," "intends," "forecasts," "outlook," "impact," "potential," "confidence," "improve," "continue," "optimistic," "deliver," "comfortable," "trend", and "seeks," or the negative of such terms or other variations on such terms or comparable terminology. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Sinclair and/or Huadong, as the case may be, in light of their experience and their perception of historical trends, current conditions, future developments and other factors that they believe appropriate.

By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements are unknown.

Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or limitations, competitive factors, technology advances, actions of regulatory agencies, future exchange and interest rates and changes in laws, government regulations, labelling or product approvals or the application or interpretation thereof. Other risk factors are described herein and in HMC's and Sinclair's other respective filings, including in Sinclair's annual reports and accounts for the year ended 31 December 2017. Many of these important factors are outside of Huadong's or, as the case may be, Sinclair's control. No assurances can be provided as to any result or the timing of any outcome regarding matters described herein or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, cost reductions, business strategies, earnings or revenue trends or future financial results. Other potential risks and uncertainties that could cause results to differ materially from those in the forward-looking statements include, without limitation: (a) the receipt of approval of Sinclair's shareholders; (b) any regulatory approvals required for the transaction not being obtained on the terms expected or on the anticipated schedule; (c) the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction; (d) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all and to successfully integrate Sinclair's operations into those of HMC; (e) the integration of Sinclair's operations into those of Huadong being more difficult, time-consuming or costly than expected; (f) operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, being greater than expected following the transaction; (g) the retention of certain key employees of Sinclair being difficult; (h) changes in tax laws or interpretations that could increase tax liabilities, including, if the transaction is consummated; (i) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated; (j) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, or other requirements or standards may delay, limit or prevent new product introductions, affect the production and marketing of existing products or services or otherwise affect performance, results, prospects or value; (k) the potential of international unrest, economic downturn or effects of currencies, tax assessments, adjustments or anticipated rates, benefit or retirement plan costs, or other regulatory compliance costs; (l) the possibility of reduced demand, or reductions in the rate of growth in demand, for products and services; (m) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labour, competition, timing, execution, regulatory, governmental, or other issues or risks associated with the respective businesses of Huadong and Sinclair, industry or initiatives may adversely impact performance, results, prospects or value; (n) the possibility that anticipated financial results or benefits of recent acquisitions will not be realised or will be other than anticipated; and (o) the effects of

contractions in credit availability, as well as the ability of Sinclair's, and HMC's and Huadong's respective customers and suppliers to adequately access the credit markets when needed.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and investors are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of the relevant document. Neither Sinclair nor Huadong assume any obligation to update or correct the information contained in the relevant document (whether as a result of new information, future events or otherwise), except as required by applicable law.

Given the risks and uncertainties, undue reliance should not be placed on forward-looking statements as a prediction of actual results. Should one or more of the risks or uncertainties mentioned materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant documents. Sinclair, HMC and their affiliated companies assume no obligation to update or correct the information contained in the relevant document, whether as a result of new information, future events or otherwise, except to the extent legally required. The statements contained in this Announcement and any documents referred to or incorporated herein are made as at the date of such documents, unless some other time is specified in relation to them, and service of the relevant documents shall not give rise to any implication that there has been no change in the facts set out in such documents since such date(s).

No profit forecast

No statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that earnings per share for Huadong or Sinclair for the current or future financial years would necessarily match or exceed the historical published earnings per share for Huadong or Sinclair.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make

a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN FOR THE PURPOSES OF MAR.

[●] 2018

RECOMMENDED CASH OFFER

for

Sinclair Pharma plc

by

Huadong Medicine Aesthetics Investment (HongKong) Limited

(a newly incorporated company indirectly wholly-owned by HMC)

intended to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

1. Introduction

On 5 July 2018, the Board of Sinclair announced that it had received an approach from HMC regarding a possible offer for Sinclair. On 28 August 2018, the Boards of Sinclair and Huadong announced that they had entered into an agreement (the "**Offer Agreement**") regarding the terms of a possible offer by Huadong for the entire issued and to be issued share capital of Sinclair (the "**Possible Offer**") (the "**Possible Offer Announcement**"). The terms of that agreement specified that the announcement by Huadong of a firm intention to make an offer for Sinclair was subject to the satisfaction of certain pre-conditions, including in relation to the financing of the Possible Offer. On [●] 2018, it was confirmed that these pre-conditions had been satisfied and, accordingly, the Sinclair Independent Directors and Huadong are pleased to announce that they have reached agreement on the terms of a recommended cash offer by Huadong to acquire the entire issued and to be issued share capital of Sinclair.

The Offer is intended to be implemented by means of a Court-sanctioned scheme of arrangement between Sinclair and Sinclair Shareholders under Part 26 of the Companies Act. Huadong reserves the right to elect to implement the Offer by way of a Contractual Offer, subject to the terms of the Offer Agreement and the Panel's consent, if required.

The Scheme will be subject to the Conditions and further terms set out below and in Appendix 2 to this Announcement and the full terms and conditions to be set out in the Scheme Document.

Subject to the satisfaction or, where applicable, waiver of the Conditions, it is expected that the Scheme will become Effective in [November] 2018. Further details in respect of the expected timetable of key events in relation to the Offer will be set out in the Scheme Document to be sent to Sinclair Shareholders in due course.

2. Terms of the Offer

The Offer, which will be subject to the conditions and principal further terms referred to in Appendix 2 to this Announcement, will be made on the following basis:

for each Sinclair Share 32 pence in cash

- The Offer values the entire issued and to be issued share capital of Sinclair at approximately £166.54 million and represents a premium of approximately:
 - [●] per cent. to the Closing Price of [●] pence per Sinclair Share on [●] August 2018 (being the last Business Day before the announcement of the Possible Offer);
 - 74.9 per cent. to the Closing Price of 18.3 pence per Sinclair Share on 4 July 2018 (being the last Business Day before the announcement that Sinclair and HMC were in discussions);
 - 91.3 per cent. to the volume weighted average Closing Price of approximately 16.7 pence per Sinclair share for the three-month period ending on 4 July 2018 (being the last Business Day before the announcement that Sinclair and HMC were in discussions); and
 - a premium of [●] per cent. to the Closing Price of [●] pence per Sinclair Share on [●] 2018, being the last Business Day before this Announcement.

If, after the date of the Rule 2.4 Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared, made or paid or becomes payable in respect of the Sinclair Shares, Huadong reserves the right to reduce the Offer Price by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared, made, paid or payable.

Certain Sinclair Directors (being Chris Spooner and Alan Olby) will have a personal interest in the MIP and consequently the Offer more generally. As such, the Board of Sinclair has resolved to constitute a committee composed of the Sinclair Independent Directors for the purposes of evaluating the Offer.

Additionally, as the value of the arrangements contemplated by the MIP is significant, pursuant to Rule 16.2(b) and 16.2(d) of the Code, the MIP will be subject to the approval of Sinclair Independent Shareholders by way of the MIP Resolution. The requirement for the MIP Resolution to be passed by the requisite majority of Sinclair Independent Shareholders is not capable of being waived by Huadong.

As a result of their interest in the MIP, Chris Spooner and Alan Olby are not entitled to vote their Sinclair Shares on the MIP Resolution at the General Meeting.

Huadong has received irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from the Sinclair Independent Directors in respect of their own beneficial holdings of 1,050,000 Sinclair Shares representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

In addition to the irrevocable undertakings from the Sinclair Independent Directors, Chris Spooner and Alan Olby have also irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolution(s) (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer), in respect of their own beneficial holdings of 10,908,779 Sinclair Shares representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

Irrevocable undertakings have also been received from Lansdowne Developed Markets Master Fund Limited and funds managed by Abingworth LLP to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) in respect of their entire beneficial holdings of Sinclair Shares amounting, in aggregate, to 88,876,793 Sinclair Shares, which represent approximately [17.6] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day before this Announcement).

In addition, Huadong has received a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from funds managed by Toscafund Asset Management LLP, controlling, in aggregate, approximately [29.5] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

In total, therefore, irrevocable undertakings and a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) have been received from Sinclair Shareholders controlling, in aggregate, 249,449,175 Sinclair Shares, representing approximately [49.5] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

Irrevocable undertakings and a letter of intent to vote, or procure the vote, in favour of the MIP Resolution at the General Meeting have been received from Sinclair Shareholders controlling, in aggregate, 238,540,396 Sinclair Shares, representing approximately [47.4] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

Further details of the irrevocable undertakings and the letter of intent are set out in paragraph 16 below and Appendix 3 to this Announcement.

3. Sinclair Share Schemes and Bonus Plans

Huadong will make appropriate proposals to the holders of options to acquire Sinclair Shares granted under the VCP in accordance with Rule 15 of the Code. Further details of these proposals will be set out in the Scheme Document. Full details of the effect of the Offer on participants' rights under the VCP, and the actions they may take in respect of their options, will be communicated to participants in separate letters to be sent to them when the Scheme Document is published.

As a result of the Scheme becoming Effective, all awards under the Sinclair 2013 Bonus Plan (the "**Bonus Plan**") will be accelerated and vest in full. It is expected that the deferred amounts accrued under the Bonus Plan will be cash settled by Sinclair on the same terms as the Offer and in accordance with the provisions of the Bonus Plan. Provisions for any pro rata bonus awards for 2018 arising under the Bonus Plan are under discussion.

4. Information on Sinclair

Sinclair is a pure play aesthetics business operating directly in Western Europe, South Korea, Brazil and the USA, and via distributors in Asia, Latin America and the Middle East. Employing over 230 people and with an extensive office network in the territories where its products are sold, Sinclair has a portfolio of differentiated, complementary aesthetics technologies with a focus on collagen stimulation. Sinclair's product lines (Silhouette®, Ellansé®, Perfectha® and Sculptra®/New-Fill®) operate at the premium end of the medical aesthetics market, designed to target clinical need and consumer demand for effective, longer duration, natural looking and minimally invasive aesthetics treatments.

Sinclair is headquartered in London and is publicly traded on AIM under the code SPH.

5. Information on Huadong, HMC, CGE and Hangzhou Huadong

• Huadong

Huadong is a company incorporated under the laws of Hong Kong and is indirectly wholly-owned by HMC. Huadong has not traded prior to the date of this Announcement, nor has it entered into any obligation other than in connection with the Offer.

• HMC

Headquartered in Hangzhou, China, HMC is publicly traded on the Shenzhen Stock Exchange under the number 000963. HMC has a market capitalisation of approximately US\$[●] billion as at the close of business on [●] 2018 (being the last Business Day prior to this Announcement).

HMC is a manufacturer and distributor of pharmaceutical and other medical products in China. HMC generated approximately US\$4.3 billion of revenue in the financial year ending 31 December 2017.

HMC, through its subsidiary Huadong Ningbo Co.Ltd, also has over five years of experience in the aesthetics business, offering botulinum toxin products and fillers.

HMC's largest shareholder is China Grand Enterprises, Inc.

• China Grand Enterprises, Inc. ("CGE")

CGE is privately owned and is headquartered in Beijing. As an investment company, CGE's core businesses cover: (i) pharmaceuticals and healthcare, (ii) commodities trading, (iii) real estate investment, and (iv) financial services.

CGE is ranked in the top five enterprises in the Chinese pharmaceutical industry and reported consolidated sales of approximately US\$5.6 billion for the financial year ending 31 December 2017. It controls and manages over 40 pharmaceutical subsidiary companies, including HMC, in which it holds approximately [41.8] per cent. of the issued share capital as at the close of business on [●] 2018 (being the latest practicable date prior to this Announcement).

CGE's largest shareholder is Beijing Yuanda Huachuang Investment Co., Ltd ("BJYHIC") which holds approximately [93.0] per cent. of the issued share capital of CGE as at the close of business on [●] 2018 (being the latest practicable date prior to this Announcement). Mr. Hu Kaijun is the sole shareholder of BJYHIC and Chairman of the Board of CGE.

• Hangzhou Huadong Medicine Group Co., Ltd. ("Hangzhou Huadong")

Headquartered in Hangzhou, China, Hangzhou Huadong holds approximately [16.5] per cent. of the issued share capital of HMC as at the close of business on [●] 2018 (being the latest practicable date prior to this Announcement) and is its second largest shareholder. Hangzhou Huadong is a Chinese pharmaceutical company with revenues of approximately US\$2.15 million. The sole shareholder of Hangzhou Huadong is the Hangzhou Municipal Government.

6. Background to and reasons for the Offer

The directors of Huadong believe that Sinclair's unique product portfolio, broad geographical coverage, manufacturing facilities and know-how, clear product development strategy and sustained sales growth is highly complementary to HMC's strategic goal of building a globally leading aesthetics franchise. The combination of Sinclair and HMC would represent a unique opportunity to leverage both companies' strengths, creating a highly competitive and synergistic international aesthetic platform.

HMC and Huadong intend to leverage HMC's clinical, regulatory, manufacturing and marketing and financing strength to expand Sinclair's aesthetic business and introduce Sinclair's products to the Chinese market. Huadong envisages an opportunity to grow the combined businesses' aesthetic platform and intends to support Sinclair in further expanding the business internationally and, in particular, in China.

7. Background to and reasons for the Recommendation

Sinclair became a pure play aesthetic business in late 2015 following the disposal of its non-aesthetics business. Since then it has seen strong growth in sales of its products and it has entered into new markets with the support of a significant body of technical, scientific and safety data, addressing both patient and physician demands.

As further described in the recent interim trading update announcement on 5 July 2018, the Sinclair Independent Directors believe that Sinclair is well placed to continue the current growth trajectory. In the past two and a half years, Sinclair has launched direct affiliates in the key markets of Brazil, South Korea and Mexico. In April 2018, Sinclair announced the creation its own direct sales operation in the US, following the termination of the US distribution agreement with ThermiGen. The US business has performed ahead of Sinclair's expectations in its first financial quarter, with the ambition to grow the salesforce from 10 directly employed representatives to 15 by the end of the year. Further direct affiliates are expected to be launched in Australia in 2018 and Canada in 2019, however, Sinclair has had to ensure that its expansion plans and product development activities are commensurate with its financial resources.

Notwithstanding this confidence in Sinclair's standalone prospects, the Sinclair Independent Directors recognise that the Offer represents a highly compelling proposition for Sinclair, its shareholders and wider stakeholders that would otherwise be unlocked only as Sinclair executes its long-term growth strategy, which is subject to execution risks and potentially further capital investment requirements.

The Sinclair Independent Directors recognise that the Offer allows Sinclair Shareholders to crystallise the cash value of their holdings at a premium of 74.9 per cent. to the closing price of a Sinclair Share of 18.3 pence on 4 July 2018 (being the last Business Day before the announcement that Sinclair and Huadong were in discussions).

The Sinclair Independent Directors, after careful consideration, therefore, believe the terms of the Offer are in the best interests of Sinclair Shareholders and Sinclair as whole. As such, the Sinclair Independent Directors unanimously intend to recommend that Sinclair Shareholders vote, or procure the vote, in favour of the Scheme.

8. Management, Employees and Locations

HMC's ambition is to build a globally leading aesthetics franchise. HMC believes that Sinclair's unique product portfolio, broad geographical coverage, manufacturing facilities and know-how, clear product development strategy and sustained sales growth are highly complementary to HMC's strategic goal. A combination of Sinclair and HMC would represent a unique opportunity to leverage both companies' strengths, creating a highly competitive and synergistic international aesthetic platform.

HMC and Huadong attach great importance to the skills and experience of Sinclair's management team and employees and view them as an important asset of Sinclair. Chris Spooner and Alan Olby will remain directors of Sinclair in their capacity as Chief Executive Officer and Chief Financial Officer, respectively. HMC will appoint an additional three directors to the board. Grahame Cook and Jeffery Thompson (being Sinclair's non-executive directors) will cease to be directors of Sinclair immediately following the Effective Date.

Huadong and HMC expect to undertake a review of all research and development activities of Sinclair after the Scheme becomes Effective although, based on the information which Sinclair has provided Huadong and HMC in the course of their due diligence, Huadong and HMC do not expect the outcome of this review to result in any material changes to Sinclair's research and development and activities.

HMC and Huadong do not intend to change the principal locations of Sinclair's places of business. They intend to maintain Sinclair's UK headquarters and its functions, to leverage HMC's investment, technology and business expertise, and to work with Sinclair's management to expand the business globally. In particular, HMC and Huadong intend to provide support for the development of Sinclair's products in the Chinese market as they have great confidence in the development potential of Sinclair's products in China.

HMC and Huadong have no plans to redeploy any fixed assets of Sinclair, reduce Sinclair's or its subsidiaries' workforce, or make any material change to the conditions of employment of the Sinclair Group's employees and management or the balance of skills and functions of such employees and management. The plans of HMC and Huadong do not involve any change to any employer contributions made by Sinclair into personal or other pension schemes, the accrual of benefits for existing members and the admission of new members.

As further described in paragraph 10 below, it is intended that, prior to the Scheme becoming Effective, an application will be made to cancel the admission to trading of Sinclair Shares on AIM and, if the Scheme becomes Effective, such admission will be cancelled.

Following completion of the Offer, Huadong confirms that the existing employment rights of all of Sinclair's employees will be fully observed and pension obligations complied with.

9. Management Incentive Plan

Huadong believes that the ongoing participation of certain directors, officers and senior managers in the Sinclair Group ("**MIP Participants**") is a very important element of the Offer. Accordingly, if the Scheme becomes Effective, Huadong intends to put in place certain incentivisation arrangements for the MIP Participants with effect from and/or following the cancellation of the admission to trading on AIM of the Sinclair Shares taking effect ("**Cancellation**").

A legally binding term sheet dated 28 August 2018 has been entered into between HMC and Huadong on one side, and Chris Spooner and Alan Olby, acting on their own behalf and on behalf of the proposed MIP Participants, on the other (the "**MIP Term Sheet**"). The MIP Term Sheet provides detail on the key terms of the MIP, which are as follows:

- the total cash pool potentially payable under the MIP is £25.0 million, the majority of which is payable based on the satisfaction of performance targets as described below, in respect of the period commencing on Cancellation and ending on 31 December 2023;
- annual payments will be made to the MIP Participants. Half of the total cash pool available (£12.5 million) will be split across five periods starting with the period from Cancellation to 31 December 2018 and each fiscal year thereafter to 31 December 2022. The remaining £12.5 million will be payable based on the achievement of the performance target for the fiscal year 2023 alone;
- the first payment of £3.5 million will be made in 2019 in respect of the period between Cancellation and 31 December 2018 and no specific performance target will apply to that payment. Annual payments to MIP Participants in respect of each fiscal year thereafter to 31 December 2023 will be made subject to the achievement of specific performance targets for each of those years;

- the specific performance targets for the fiscal years 2019 to 2023 are annual net income targets that have been agreed between the parties to the MIP Term Sheet;
- if the net income target for a particular fiscal year is not achieved, the cash pool for that year will be nil;
- if the performance target for any fiscal year, starting with the 2020 fiscal year, is not achieved, but the performance target for the subsequent fiscal year is achieved, any excess in the second fiscal year can be rolled backwards and counted towards the performance target in the previous fiscal year; and
- it is expected that there will be initially 14 MIP Participants, including Chris Spooner and Alan Olby.

As a result of their respective interests in the MIP, Chris Spooner and Alan Olby are not considered to be independent for the purposes of the Code. Each of them (and their respective connected persons) will not be entitled to vote on the MIP Resolution at the General Meeting. Each of them has irrevocably undertaken to vote, or procure the vote, in favour of the Scheme and the other Resolution(s) to be proposed at the General Meeting in respect of his entire shareholding of Sinclair Shares.

For the purposes of Rule 16.2 of the Code, Rothschild and Peel Hunt have confirmed that, in their opinion, the terms of the MIP are fair and reasonable so far as the Sinclair Independent Shareholders are concerned. In providing their opinion, Rothschild and Peel Hunt have taken into account the commercial assessments of the Sinclair Independent Directors. The Offer is conditional, amongst other things, upon the passing of the MIP Resolution by the requisite majority of the Sinclair Independent Shareholders at the General Meeting to be held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as they and Sinclair may agree and the Court may allow).

10. Cancellation of admission to trading on AIM

Sinclair intends, at least 20 Business Days prior to the Scheme becoming Effective, to make an application for the cancellation of the admission to trading of Sinclair Shares on AIM, requesting that the cancellation takes place shortly after the Effective Date. It is intended that dealing in Sinclair Shares will be suspended at 5.00 p.m. (London time) on the Business Day immediately preceding the Effective Date.

On the Effective Date, Sinclair will become a wholly-owned subsidiary of Huadong. As soon as possible after the Effective Date, it is intended that Sinclair will be re-registered as a private limited company under the relevant provisions of the Companies Act.

11. Financing the Offer

The Cash Consideration will be funded using Huadong's existing cash resources. Huadong has obtained an irrevocable guarantee from Industrial and Commercial Bank of China Limited, London Branch to fund the Cash Consideration, which it can call on as an alternative to using its existing cash resources.

Piper Jaffray, financial adviser to Huadong, is satisfied that sufficient resources are available to Huadong to satisfy in full the Cash Consideration payable under the terms of the Offer.

12. Disclosures of interests in Sinclair

Save in respect of the irrevocable undertakings and the letter of intent referred to in paragraph 16 and in Appendix 3 to this Announcement, as at the close of business on [●] 2018 (being the last Business Day before this Announcement) neither Huadong, nor any of its directors, nor, so far as Huadong is

aware, any person acting in concert (within the meaning of the Code) with it has (i) any interest in or right to subscribe for any relevant securities of Sinclair; nor (ii) any short positions in respect of relevant Sinclair Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor (iii) borrowed or lent any relevant Sinclair Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

13. The Scheme

It is proposed that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement between Sinclair and Sinclair Shareholders under Part 26 of the Companies Act, although Huadong reserves the right (subject to the terms of the Offer Agreement and the Panel's consent, if required) to implement the Offer by way of a Contractual Offer for the entire issued and to be issued share capital of Sinclair, and to make appropriate amendments to the terms of the Offer arising from the change from the Scheme to a Contractual Offer. The purpose of the Scheme is for Huadong to become the owner of the entire issued and to be issued share capital of Sinclair.

The Scheme is subject to the Conditions and certain further terms set out in Appendix 2 to this Announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date:

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders;
- the Resolution(s) (other than the MIP Resolution) are passed at the General Meeting, which will require the approval of Sinclair Shareholders controlling at least 75 per cent. of the votes cast at the General Meeting, which is expected to be held immediately after the Court Meeting;
- the MIP Resolution is passed at the General Meeting, which will require the approval of Sinclair Independent Shareholders controlling more than 50 per cent. of the votes cast by Sinclair Independent Shareholders on the MIP Resolution at the General Meeting. The requirement for the MIP Resolution to be passed by the requisite majority of Sinclair Independent Shareholders is not capable of being waived by Huadong;
- following the Meetings, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by Sinclair and Huadong); and
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies, whereupon the Scheme will become Effective.

Upon the Scheme becoming Effective, it will be binding upon all Sinclair Shareholders irrespective of whether or not they attended and/or voted at the Court Meeting or the General Meeting. Any Sinclair Shares issued before the Scheme Record Time will be subject to the terms of the Scheme.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Offer will not proceed unless Huadong and Sinclair agree otherwise and the Panel consents.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document.

14. The Court Meeting and the General Meeting

The Offer (including the Scheme) will be put to Sinclair Shareholders at the Court Meeting and at the General Meeting, which are expected to be held during [October] 2018. Notices to convene the Court Meeting (subject to the consent of the Court) and the General Meeting will be included in the Scheme Document.

The purpose of the Court Meeting is to seek the approval of Sinclair Shareholders for the Scheme and certain related matters.

The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions which will, among other matters, provide that the Articles be amended to incorporate provisions requiring any Sinclair shares issued after the Scheme Record Time (other than to Huadong and/or its nominees) to be automatically transferred to Huadong, or as it shall direct, on the same terms as the Offer (other than terms as to timings and formalities). The provisions of the Articles (as amended) will prevent any person other than Huadong and its nominees holding shares in the capital of Sinclair after the Effective Date.

15. Expected timetable for posting of the Scheme Document

It is expected that the Scheme Document will be posted to Sinclair Shareholders (and for information only to holders of options granted under the VCP) during [October] 2018 (and, in any event, within 28 days of this Announcement, unless otherwise agreed with the Panel) and that the Scheme will become Effective in [November] 2018, subject to the satisfaction (or, where applicable, waiver) of the Conditions.

16. Irrevocable undertakings and letter of intent

Sinclair Directors

Huadong has received irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from the Sinclair Independent Directors in respect of their own beneficial holdings of 1,050,000 Sinclair Shares representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair in issue on [●] 2018 (being the last Business Day prior to this Announcement).

In addition to the irrevocable undertakings from the Sinclair Independent Directors, Chris Spooner and Alan Olby have also irrevocably undertaken to vote, or procure the vote, in favour, of the Scheme at the Court Meeting and the Resolution(s) (other than the MIP Resolution) at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer), in respect of their own beneficial holdings of 10,908,779 Sinclair Shares, representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

Each of the irrevocable undertakings referred to above will cease to be binding only if the Scheme (or, if made, a Contractual Offer):

- a) does not become Effective; or
- b) lapses or is withdrawn in accordance with its terms and at or before the time of such lapse or withdrawal, Huadong has not publicly confirmed that it intends to implement the Offer by way of a Contractual Offer or otherwise.

Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

Other Sinclair Shareholders

Irrevocable undertakings have also been received from Lansdowne Developed Markets Master Fund Limited and funds managed by Abingworth LLP to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) in respect of their entire beneficial holdings of Sinclair Shares amounting, in aggregate, to 88,876,793 Sinclair Shares, representing approximately [17.6] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

In addition, Huadong has received a letter of intent to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from funds managed by Toscafund Asset Management LLP, controlling, in aggregate, approximately [29.5] per cent. of the issued ordinary share capital of Sinclair on [●] August 2018 (being the last Business Day prior to this Announcement).

Further details of these irrevocable undertakings and the letter of intent are set out in Appendix 3 to this Announcement.

17. Recommendation

The Sinclair Independent Directors, who have been so advised by Rothschild and Peel Hunt as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing their advice to the Sinclair Independent Directors, Rothschild and Peel Hunt have taken into account the commercial assessments of the Sinclair Independent Directors. Rothschild and Peel Hunt are providing independent financial advice to the Sinclair Independent Directors for the purposes of Rule 3 of the Code.

In addition, the Sinclair Independent Directors consider the terms of the Offer to be in the best interests of Sinclair Shareholders as a whole. Accordingly, the Sinclair Independent Directors unanimously intend to recommend that Sinclair Shareholders vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting. Huadong has received irrevocable undertakings and a letter of intent to vote, or procure the vote in favour, of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer) from the Sinclair Independent Directors in respect of their own beneficial holdings of 1,050,000 Sinclair Shares representing, in aggregate, approximately [●] per cent. of the issued ordinary share capital of Sinclair on [●] 2018 (being the last Business Day prior to this Announcement).

18. Offer-related arrangements and documents available on website

Confidentiality Agreement

Pursuant to the Confidentiality Agreement, HMC has undertaken to Sinclair to, amongst other things: (a) keep confidential information relating to the Offer and Sinclair and not to disclose it to third parties unless permitted by the terms of the Confidentiality Agreement; and (b) use the confidential information for the sole purpose of the potential Offer. With certain exceptions, the confidentiality obligations will expire two years from the date of the Confidentiality Agreement.

The Confidentiality Agreement also contains undertakings from HMC that it will not, whether directly or indirectly, while negotiations in relation to the Offer are taking place or for a period of twelve months from the date that negotiations cease, solicit or entice away, or endeavour to solicit or entice away, or employ any person from Sinclair who has confidential information or who would be in a position to exploit Sinclair's or its group's trade connections.

Offer Agreement

Sinclair, Huadong and HMC entered into the Offer Agreement in respect of the Possible Offer on 28 August 2018.

The Offer Agreement contains, *inter alia*, details of the pre-conditions (the "**Pre-Conditions**") which were required to be satisfied (or, where relevant, waived) before the release of this Announcement.

On [●] 2018, Huadong confirmed that the Pre-Conditions had been satisfied. In accordance with its terms, the Offer Agreement terminated (save in respect of certain continuing provisions, including (without limitation) Huadong's right to switch to a Contractual Offer in certain circumstances) upon the release of this Announcement.

A summary of the full terms of the Offer Agreement was provided in the Possible Offer Announcement.

MIP Term Sheet

Details of the MIP Term Sheet are set out at paragraph 9 above.

Documents available on website

Copies of the following documents will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Huadong's website at http://www.eastchinapharm.com/En/News/Sinclair_Notice and Sinclair's website at <https://www.sinclairpharma.com/investors/recommended-offer-for-the-company> by no later than 12:00 noon (London time) on the Business Day following the date of this Announcement until the end of the Offer Period. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

- this Announcement;
- the irrevocable undertakings and the letter of intent referred to in paragraph 16 above and in Appendix 3; and
- the consent letters referred to in paragraph 20 below;
- the Confidentiality Agreement;
- the Offer Agreement; and
- the MIP Term Sheet.

19. Availability of hard copies

If this Announcement is sent to you in electronic form or you have been sent a website notification, you may request a hard copy of this Announcement by contacting Huadong (ref: Bo Chen) during business hours on +86 571 89903290 or by submitting a request in writing to Huadong (ref: Bo Chen) at pretor@hdpharm.com. Hard copies of this Announcement will not be sent to any further persons unless so requested. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.

20. General

This Announcement does not constitute an offer or an invitation to purchase any securities.

The Offer will be made subject to the Conditions and on the terms contained in Appendix 2 to this Announcement and on the further terms and Conditions to be set out in the Scheme Document. Huadong reserves the right to implement the Offer by way of a Contractual Offer (subject to the terms of the Offer Agreement and the Panel's consent, if required) for the entire issued and to be issued share capital of Sinclair, and to make appropriate amendments to the terms of the Offer arising from the change from the Scheme to a Contractual Offer.

The Offer and the Scheme will be governed by the law of England and Wales and will be subject to the jurisdiction of the courts of England and Wales. The Offer will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the AIM Rules, and the Financial Conduct Authority.

Piper Jaffray has given and has not withdrawn its written consent to the issue of this Announcement with the inclusion of the references to its name in the form and context in which they appear.

Rothschild has given and has not withdrawn its written consent to the issue of this Announcement with the inclusion of the references to its name in the form and context in which they appear.

Peel Hunt has given and has not withdrawn its written consent to the issue of this Announcement with the inclusion of the references to its name in the form and context in which they appear.

The Conditions and certain further terms of the Offer are set out in Appendix 2 to this Announcement. Appendix 1 contains the definitions of certain terms used in this Announcement. Appendix 3 contains details of the irrevocable undertakings and the letter of intent given to Huadong. Appendix 4 contains bases and sources of certain information contained in this Announcement.

Enquiries

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Rothschild, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Sinclair and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Sinclair for providing the protections afforded to clients of Rothschild, nor for providing advice in relation to the matters referred to herein. Neither Rothschild nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild in connection with the matters referred to in this Announcement, or otherwise.

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Sinclair and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Sinclair for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the matters referred to in this Announcement, or otherwise.

Piper Jaffray, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Huadong and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Huadong for providing the protections afforded to clients of Piper Jaffray, nor for providing advice in relation to the matters referred to herein. Neither Piper Jaffray nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Piper Jaffray in connection with the matters referred to in this Announcement, or otherwise.

Jones Day is retained as legal adviser to Huadong.

Eversheds Sutherland (International) LLP is retained as legal adviser to Sinclair.

IMPORTANT NOTES

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to sell or purchase any securities, or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Sinclair in any jurisdiction in contravention of applicable law. The Offer will be effected solely through the Scheme Document (or, if the Offer is implemented by way of a Contractual Offer, the offer document) which will contain the full terms and conditions of the Offer. Any vote, decision in respect of, or other response to, the Scheme (or the Contractual Offer, if applicable) should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each Sinclair Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer applicable to them.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Sinclair Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, if the Court Meeting takes place, may be affected by the laws of the relevant jurisdictions in which they are

located. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer, disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Offer to persons who are not resident in the United Kingdom may be restricted by the laws and/or regulations of the relevant jurisdictions in which they are located. The Offer will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

This Announcement has been prepared pursuant to and for the purpose of complying with the laws of England and Wales, the AIM Rules, the Code and the Rules of the London Stock Exchange and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Copies of this Announcement and any formal documentation relating to the Offer will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer. If the Offer is implemented by way of a Contractual Offer (unless otherwise permitted by applicable law or regulation), the Contractual Offer may not be made, directly or indirectly, in or into or from any Restricted Jurisdiction.

The Offer relates to the shares of an English company and it is proposed to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme will relate to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies.

However, if Huadong were to elect to implement the Offer by means of a Contractual Offer, such Contractual Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Contractual Offer would be made in the US by Huadong and no one else.

In accordance with normal UK practice, Huadong or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Sinclair Shares, other than pursuant to the Offer, until the date on which the Scheme (or Contractual Offer, if applicable) becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Please be aware that addresses, electronic addresses and certain other information provided by Sinclair Shareholders, persons with information rights and other relevant persons for the receipt of

communications from Sinclair may be provided to Huadong during the Offer Period (as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Publication on website

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Scheme will, subject to certain restrictions, be available for inspection on Huadong's website at http://www.eastchinapharm.com/En/News/Sinclair_Notice and Sinclair's website at <https://www.sinclairpharma.com/investors/recommended-offer-for-the-company> no later than 12 noon (London time) on the day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Huadong by contacting Bo Chen at Huadong, telephone number +86 571 89903290 or Sinclair by contacting Andy Crane at Huadong, telephone number +44 (0) 20 7467 6920.

Sinclair Shares

As at close of business on [●] 2018 (being the last Business Day prior to this Announcement), there were [●] Sinclair Shares in issue and admitted to trading on AIM. The ISIN for the Sinclair Shares is GB0033856740.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer and other information published by Huadong and Sinclair contain certain statements, trends, expectations, forecasts, estimates, or other forward looking information affecting or relating to Sinclair or Huadong or their respective industries, products or activities. Forward-looking statements speak only as to the date of this document and may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "hopes," "anticipates," "aims," "plans," "estimates," "projects," "targets," "intends," "forecasts," "outlook," "impact," "potential," "confidence," "improve," "continue," "optimistic," "deliver," "comfortable," "trend", and "seeks," or the negative of such terms or other variations on such terms or comparable terminology. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Sinclair and/or Huadong, as the case may be, in light of their experience and their perception of historical trends, current conditions, future developments and other factors that they believe appropriate.

By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements are unknown.

Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or limitations, competitive factors, technology advances, actions of regulatory agencies, future exchange and interest rates and changes in laws, government regulations, labelling or product approvals or the application or interpretation thereof.

Other risk factors are described herein and in HMC's and Sinclair's other respective filings, including in Sinclair's annual reports and accounts for the year ended 31 December 2017. Many of these important factors are outside of Huadong's or, as the case may be, Sinclair's control. No assurances can be provided as to any result or the timing of any outcome regarding matters described herein or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, cost reductions, business strategies, earnings or revenue trends or future financial results. Other potential risks and uncertainties that could cause results to differ materially from those in the forward-looking statements include, without limitation: (a) the receipt of approval of Sinclair's shareholders; (b) any regulatory approvals required for the transaction not being obtained on the terms expected or on the anticipated schedule; (c) the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction; (d) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all and to successfully integrate Sinclair's operations into those of HMC; (e) the integration of Sinclair's operations into those of Huadong being more difficult, time-consuming or costly than expected; (f) operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, being greater than expected following the transaction; (g) the retention of certain key employees of Sinclair being difficult; (h) changes in tax laws or interpretations that could increase tax liabilities, including, if the transaction is consummated; (i) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated; (j) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, or other requirements or standards may delay, limit or prevent new product introductions, affect the production and marketing of existing products or services or otherwise affect performance, results, prospects or value; (k) the potential of international unrest, economic downturn or effects of currencies, tax assessments, adjustments or anticipated rates, benefit or retirement plan costs, or other regulatory compliance costs; (l) the possibility of reduced demand, or reductions in the rate of growth in demand, for products and services; (m) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labour, competition, timing, execution, regulatory, governmental, or other issues or risks associated with the respective businesses of Huadong and Sinclair, industry or initiatives may adversely impact performance, results, prospects or value; (n) the possibility that anticipated financial results or benefits of recent acquisitions will not be realised or will be other than anticipated; and (o) the effects of contractions in credit availability, as well as the ability of Sinclair's and Huadong's respective customers and suppliers to adequately access the credit markets when needed.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and investors are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of the relevant document. Neither Sinclair nor Huadong assume any obligation to update or correct the information contained in the relevant document (whether as a result of new information, future events or otherwise), except as required by applicable law.

Given the risks and uncertainties, undue reliance should not be placed on forward-looking statements as a prediction of actual results. Should one or more of the risks or uncertainties mentioned materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant documents. Sinclair, HMC and their affiliated companies assume no obligation to update or correct the information contained in the relevant documents, whether as a result of new information, future events or otherwise, except to the extent legally required. The statements contained in this Announcement and any documents referred to or incorporated herein are made as at the date of such documents, unless some other time is specified in relation to them, and service of the relevant documents shall not give rise to any implication that there has been no change in the facts set out in such documents since such date(s).

No profit forecast

No statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that earnings per share for Huadong or Sinclair for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Huadong or Sinclair.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of any securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's

Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Appendix 1

DEFINITIONS

In this Announcement, the following words and expressions have the following meanings unless the context requires otherwise:

"AIM"	the market of that name operated by the London Stock Exchange
"Announcement"	this announcement made in accordance with Rule 2.7 of the Code
"Articles"	the articles of association of Sinclair from time to time
"Authorisations"	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
"Board"	the board of directors of the relevant company
"Business Day"	a day, other than a Saturday, Sunday or public holiday in the UK, on which banks are open for non-automated business in the City of London
"Cash Consideration"	the entitlement for Sinclair Shareholders under the terms of the Offer to receive the Offer Price in cash in consideration for each Sinclair Share
"Closing Price"	unless otherwise stated, the closing middle market quotation of a share derived from the AIM Appendix to the Daily Official List
"CMA"	the UK Competition and Markets Authority
"CMA Phase 2 Reference"	a reference of the Offer or any part of it to the Chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
"Code"	the City Code on Takeovers and Mergers
"Companies Act"	the Companies Act 2006
"Conditions"	the terms and conditions to the implementation of the Scheme, as set out in Appendix 2 to this Announcement and to be set out in the Scheme Document
"Confidentiality Agreement"	the confidentiality agreement entered into between Sinclair and HMC on 16 July 2018
"Contractual Offer"	means a takeover offer within the meaning of Part 28 of the Companies Act
"Court"	the High Court of Justice in England and Wales

"Court Meeting"	the meeting of Sinclair Shareholders to be convened by order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment), and any adjournment thereof
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear
"Daily Official List"	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
"Dealing Disclosure"	has the same meaning as in Rule 8 of the Code
"Disclosed"	the information fairly disclosed by, or on behalf of Sinclair, (i) in the annual report and accounts of the Sinclair for the financial year ended 31 December 2017; (ii) in this Announcement; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of Sinclair prior to the publication of this Announcement; (iv) in any of the documents, papers or written information made available in the data room maintained by Sterling Data Rooms entitled Project Sculpture before 5.00 p.m. on [●] 2018; or (v) as otherwise fairly disclosed to Huadong or its officers, employees, agents or advisers prior to the date of this Announcement
"Effective"	in the context of the Offer (i) if the Offer is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Scheme Court Order to the Registrar of Companies; or (ii) if the Offer is implemented by way of a Contractual Offer, the Contractual Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code
"Effective Date"	the date on which the Scheme becomes Effective in accordance with its terms
"EU Merger Regulation"	Council Regulation 139/2004/EC of 20 January 2004 on the control of concentrations between undertakings
"Euroclear"	Euroclear UK and Ireland Limited
"Excluded Shares"	(i) any Sinclair Shares beneficially owned by Huadong or any parent or subsidiary undertaking (as defined in the Companies Act) of Huadong and (ii) any Sinclair Shares held in treasury by Sinclair
"Financial Conduct Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000
"Form(s) of Proxy"	the forms of proxy for use by Shareholders in connection with the Court Meeting and the General Meeting
"General Meeting"	the meeting of Sinclair Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof

"HMC"	Huadong Medicine Co., Ltd., a Chinese company listed on the Shenzhen Stock Exchange or, if the context so requires, its wholly owned subsidiary, Huadong
"Huadong"	Huadong Medicine Aesthetics Investment (HongKong) Limited, a company incorporated in Hong Kong with company number 2714281
"Huadong Group"	Huadong and its parent undertakings and subsidiary undertakings
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	5.00 p.m. (London time) on 21 December 2018, or such later date (if any) as Huadong and Sinclair may agree and (if required) the Panel and the Court may allow
"Meetings"	the Court Meeting and the General Meeting
"MIP"	the management incentive plan, as more fully described in paragraph 9 of this Announcement (and to be set out in the Scheme Document)
"MIP Participants"	has the meaning given thereto in paragraph 9 of this Announcement
"MIP Resolution"	the Resolution to be proposed by Sinclair at the General Meeting in connection with the approval of the MIP
"Offer"	the firm offer to be made by Huadong to acquire the entire issued and to be issued share capital of Sinclair to be effected by means of the Scheme (or, if Huadong so elects, subject to the terms of the Offer Agreement and with, if required, the consent of the Panel, a Contractual Offer) on the terms and subject to the Conditions set out in this Announcement and to be set out in the Scheme Document and, where the context admits, any subsequent revision, variation, extension or renewal thereof
"Offer Agreement"	the offer agreement entered into between Sinclair, Huadong and HMC dated 28 August 2018
"Offer Period"	the offer period (as defined by the Code) relating to Sinclair, which commenced on 5 July 2018 and ending on the date on which the Scheme becomes Effective, lapses or is withdrawn (or such other date as the Panel may decide)
"Offer Price"	32 pence in cash per Sinclair Share
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Code
"Overseas Shareholders"	Sinclair Shareholders (or nominees, or custodians or trustees of Sinclair Shareholders) who are resident in, or nationals or citizens of jurisdictions outside the UK or who are citizens or residents of countries other than the UK
"Panel"	the Panel on Takeovers and Mergers

"Peel Hunt"	Peel Hunt LLP, joint financial adviser, Nominated Adviser and Joint Broker to Sinclair
"Piper Jaffray"	Piper Jaffray Ltd, financial adviser to Huadong
"Registrar of Companies"	registrar of companies in England and Wales
"Regulatory Information Service"	any of the services set out in Appendix III to the UK Listing Authority's Listing Rules
"Resolutions"	(i) the resolution(s) to be proposed by Sinclair at the General Meeting in connection with, among other things the approval of the Scheme, the alteration of the Articles and such other matters as may be necessary to implement the Scheme and the Cancellation; and (ii) the MIP Resolution (and "Resolution" shall be construed accordingly)
"Restricted Jurisdiction"	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Huadong or Sinclair regards as unduly onerous
"Rothschild"	N.M. Rothschild & Sons Limited, lead financial adviser to Sinclair
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act between Sinclair and Sinclair Shareholders in connection with the Offer, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Sinclair and Huadong
"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme
"Scheme Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
"Scheme Document"	the document to be sent to Sinclair Shareholders, containing, among other things, the Scheme and the notices convening the Court Meeting and the General Meeting
"Scheme Record Time"	the date and time specified in the Scheme Document, expected to be 6.00 p.m. London Time on the Business Day immediately before, or after, the Scheme Court Hearing;
"Scheme Shareholder"	a holder of Scheme Shares as appearing in the register of Sinclair at the Scheme Record Time;
"Scheme Shares"	the Sinclair Shares: (i) in issue at the date of the Scheme Document; (ii) issued after the date of the Scheme Document but before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be, or shall have agreed in writing by such time to be, bound by the Scheme, in each case, excluding any Excluded Shares;

"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 10 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking
"Sinclair" or the "Company"	Sinclair Pharma Plc
"Sinclair Directors"	the directors of Sinclair
"Sinclair Group"	Sinclair and its subsidiaries and subsidiary undertakings
"Sinclair Independent Directors"	the Sinclair Directors who do not have a personal interest in the MIP, being Grahame Cook and Jeffery Thompson
"Sinclair Independent Shareholders"	the Sinclair Shareholders other than Chris Spooner, Alan Olby and the other MIP Participants
"Sinclair Shareholders"	the holders of Sinclair Shares
"Sinclair Share(s)"	the existing unconditionally allotted or issued and fully paid ordinary shares of one pence each in the capital of Sinclair and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective
"Third Party"	any central bank, ministry, government or governmental, quasi-governmental (including the European Union), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, authority, court, trade agency, association, institution, professional or environmental body, employee representative body or bodies responsible for the review and/or approval of mergers, acquisitions, concentrations, joint ventures or any other similar matter or any other body or person whatsoever (including any national or supranational anti-trust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), in any jurisdiction
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"VCP"	the Sinclair 2011 Value Creation Plan
"Voting Record Time"	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined
"Wider Huadong Group"	Huadong and associated undertakings and any other body corporate, partnership, joint venture or person in which Huadong and all such undertakings (aggregating their interests) have a Significant Interest
"Wider Sinclair Group"	Sinclair and associated undertakings and any other body corporate, partnership, joint venture or person in which Sinclair and such undertakings (aggregating their interests) have a Significant Interest

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**", "**associated undertaking**" and "**undertaking**" have the meanings given to such terms in the Companies Act.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**GBP**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**\$**", "**US\$**", "**USD**" or dollar are to the lawful currency of the United States of America.

All the times referred to in this Announcement are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of legislation shall include any amendment, modification, re-enactment or extension thereof.

Appendix 2

CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

Part A: Conditions of the Scheme

1. The Offer is conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by not later than the Long Stop Date.
2. The Scheme will be subject to the following conditions:
 - 2.1 its approval by a majority in number of Scheme Shareholders (or the relevant class or classes thereof, if applicable) who are on the register of members of Sinclair at the Voting Record Time, present and voting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders, at the Court Meeting and at any separate class meeting which may be required, or any adjournment thereof, provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course, or such later date (if any) as Huadong and Sinclair may agree and the Court may allow;
 - 2.2 the Resolution(s) (other than the MIP Resolution) being duly passed by the requisite majorities of Sinclair Shareholders at the General Meeting;
 - 2.3 the MIP Resolution being duly passed by the requisite majority of Sinclair Independent Shareholders at the General Meeting;
 - 2.4 such General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed by Huadong and Sinclair);
 - 2.5 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Sinclair and Huadong) and the delivery of an office copy of the Scheme Court Order to the Registrar of Companies for registration; and
 - 2.6 the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed by Huadong and Sinclair and the Court may allow).
3. In addition, subject as stated in Part B below and to the requirements of the Panel, the Offer will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

Notifications, waiting periods and Authorisations

- (a) all material and necessary notifications, filings or applications having been made in connection with the Offer and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer and all Authorisations necessary in any jurisdiction for or in respect of the Offer and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Sinclair or any other member of the Wider Sinclair Group by any member of the Wider Huadong Group having been obtained in terms and in a form reasonably satisfactory to Huadong from all appropriate Third Parties or (without prejudice to the

generality of the foregoing) from any persons or bodies with whom any member of the Wider Sinclair Group or the Wider Huadong Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Sinclair Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes Effective or otherwise wholly unconditional and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations and all such necessary statutory or regulatory obligations in any jurisdiction having been complied with;

- (b) except with the consent or the agreement of Huadong, no resolution of Sinclair Shareholders in relation to any acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings (or in relation to any merger, demerger, consolidation, reconstruction, amalgamation or scheme) being passed at a meeting of Sinclair Shareholders other than in relation to and as necessary to implement the Offer or the Scheme and, other than with the consent or the agreement of Huadong, no member of the Wider Sinclair Group having taken (or agreed or proposed to take) any action that requires, or would require, the consent of the Panel or the approval of Sinclair Shareholders in accordance with, or as contemplated by, Rule 21.1 of the Code;

General regulatory

- (c) no antitrust regulator or Third Party having given notice of a decision or proposal to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or taken any steps, or having enacted or made or proposed to enact or make any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Huadong Group or by any member of the Wider Sinclair Group of all or any material part of its businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
 - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Huadong Group or the Wider Sinclair Group to acquire or offer to acquire a material number of any shares, other securities (or the equivalent) or interest in any member of the Wider Sinclair Group or any asset owned by any third party (other than in the implementation of the Offer);
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Huadong Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in or loans to Huadong or on the ability of any member of the Wider Sinclair Group or any member of the Wider Huadong Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Sinclair Group;
 - (iv) otherwise materially adversely affect any or all of the business, assets, prospects or profits of any member of the Wider Sinclair Group or the Wider Huadong Group;

- (v) result in any member of the Wider Sinclair Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer (as the case may be);
- (vi) make the Offer, or any aspect of the Offer, its implementation or the acquisition of any shares or other securities in, or control or management of, Sinclair by any member of the Wider Huadong Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise materially interfere with the implementation of, or impose additional materially adverse conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Offer or the acquisition of any shares or other securities in, or control or management of, Sinclair by any member of the Wider Huadong Group;
- (vii) require, prevent or materially delay a divestiture by any member of the Wider Huadong Group of any shares or other securities (or the equivalent) in any member of the Wider Sinclair Group or any member of the Wider Huadong Group, to an extent which is material in the context of the Wider Sinclair Group taken as a whole or the Wider Huadong Group taken as a whole (as the case may be); or
- (viii) impose any material limitation on the ability of any member of the Wider Huadong Group or any member of the Wider Sinclair Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Huadong Group and/or the Wider Sinclair Group in a manner which is materially adverse to the Wider Sinclair Group taken as a whole or the Wider Huadong Group taken as a whole or in the context of the Offer (as the case may be),

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Offer or the acquisition of any Sinclair Shares or of management or voting control of Sinclair or any member of the Wider Sinclair Group or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- (d) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Sinclair Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or the acquisition or the proposed acquisition by any member of the Wider Huadong Group of any shares or other securities in Sinclair or because of a change in the control or management of any member of the Wider Sinclair Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Sinclair Group taken as a whole or material in the context of the Offer:
 - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Sinclair Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Sinclair Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable or being enforced;
- (iii) any material assets of any member of the Wider Sinclair Group being disposed of or charged or ceasing to be available to any such member, or any right arising under which any asset could be required to be disposed of or charged or could cease to be available to any such member, in each case other than in the ordinary course of business;
- (iv) any obligation to obtain or acquire any licence, permission, approval, clearance, permit, notice, consent, authorisation, waiver, grant, concession, agreement, certificate, exemption order or registration from any Third Party;
- (v) any arrangement, agreement, lease, licence, permit licence, permission, approval, clearance, notice, consent, authorisation, waiver, grant, concession, certificate, exemption order or registration or other instrument being terminated or becoming capable of being terminated or adversely modified or the rights, liabilities, obligations or interests of any member of the Wider Sinclair Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (vi) the rights, liabilities, obligations, interests or business of any member of the Wider Sinclair Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Sinclair Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- (vii) any member of the Wider Sinclair Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (viii) the creation or acceleration of any liability to taxation or an adverse effect on the tax position of any member of the Wider Sinclair Group;
- (ix) the value of, or the financial or trading position of, any member of the Wider Sinclair Group being prejudiced or adversely affected; or
- (x) the creation or acceleration of any liability (actual or contingent and including without limitation for taxation) by any member of the Wider Sinclair Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Sinclair Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might, in each case to an extent which is material in the context of the Wider Sinclair Group taken as a whole or the Wider Huadong Group taken as a whole or in the context of the Offer, result in any of the events or circumstances as are referred to in Conditions 3(d)(i) to (x);

- (e) except as Disclosed, no member of the Wider Sinclair Group having:
 - (i) entered into any agreement, contract, transaction, arrangement or commitment or terminated or varied the terms of any agreement or arrangement (other than in the

ordinary course of business) which adversely affects the interests of the Wider Huadong Group and which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;

- (ii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Sinclair Group or the Wider Huadong Group or which is or could involve obligations which would or might reasonably be expected to be so restrictive, in each case to an extent which is material in the context of the Wider Sinclair Group taken as a whole or the Wider Huadong Group taken as a whole; or
- (iii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing agreement, partnership or merger of business or corporate entities;

Certain events occurring since 31 December 2017

- (f) except as Disclosed, no member of the Wider Sinclair Group having since 31 December 2017:
 - (i) issued, proposed or agreed to issue, or authorised or announced its intention to authorise or propose the issue, of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Sinclair Shares (except, where relevant, as between Sinclair and wholly owned subsidiaries of Sinclair or between the wholly owned subsidiaries of Sinclair, and except for the grant of options or awards, under employee share schemes in existence on [●] 2018, including without limitation the VCP, and the issue of any shares pursuant to the exercise of options or awards granted under such schemes) or redeemed, purchased or reduced any part of its share capital;
 - (ii) recommended, declared, paid or made, or proposed to declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions, whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Sinclair to Sinclair or any of its wholly owned subsidiaries;
 - (iii) save as between Sinclair and its wholly-owned subsidiaries, effected, authorised, proposed or announced its intention to propose any change in its share or loan capital (or equivalent thereof);
 - (iv) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (v) sold or transferred or agreed to sell or transfer any Sinclair Shares held by Sinclair as treasury shares except for the issue or transfer out of treasury of Sinclair Shares on the exercise of employee share options or vesting of employee share awards;
 - (vi) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the wider Sinclair Group;
 - (vii) save as between Sinclair and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Sinclair and except for transactions in the ordinary course of business, and other than pursuant to the Offer, implemented, effected, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction,

arrangement, amalgamation, commitment or scheme or any acquisition or disposal or transfer of assets, shares or loan capital (or the equivalent thereof) or any right, title or interest in any assets, shares or loan capital (or the equivalent thereof) or other transaction or arrangement in respect of itself or another member of the Wider Sinclair Group which in each case would be material in the context of the Wider Sinclair Group taken as a whole;

- (viii) save as between Sinclair and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Sinclair and except for transactions in the ordinary course of business, acquired or disposed of or transferred or mortgaged, charged or encumbered any assets or shares or any right, title or interest in any assets or shares or authorised the same or entered into, varied or terminated or authorised, proposed or announced its intention to enter into, vary, terminate or authorise any agreement, arrangement, contract, transaction or commitment (other than in the ordinary course of business and whether in respect of capital expenditure or otherwise) which is of a loss-making, long-term or unusual or onerous nature or magnitude, or which involves or could involve an obligation of such a nature or magnitude, in each case whether in respect of capital expenditure or otherwise and which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;
- (ix) exercised any pre-emption rights, or any similar rights that allow any member of the Wider Sinclair Group to subscribe for, or acquire, shares in any other person;
- (x) issued, authorised or proposed the issue of any debentures, or (other than in the ordinary course of business) incurred or increased any indebtedness or liability, actual or contingent, which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;
- (xi) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (xii) except in relation to changes made or agreed as a result of, or arising from, changes to applicable law, made, or announced any proposal to make, any change or addition to any retirement, death or disability benefit or any other employment-related benefit (including, but not limited to, bonuses, retention arrangements or share incentive schemes or other benefit relating to the employment or termination of employment of any employee of the Wider Sinclair Group) of or in respect of any of its directors, employees, former directors or former employees;
- (xiii) save as between Sinclair and its wholly-owned subsidiaries, granted any lease or third party rights in respect of any of the leasehold or freehold property owned or occupied by it or transferred or otherwise disposed of any such property;
- (xiv) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any service agreement, commitment or arrangement with any director or senior executive of Sinclair or any director or senior executive of the Wider Sinclair Group;

- (xv) taken any action which results in the creation or acceleration of any material tax liability or any member of the Wider Sinclair Group or a material adverse effect on the tax position of any such member;
- (xvi) other than in respect of a member of the Wider Sinclair Group which is dormant and was solvent at the relevant time, taken or proposed any corporate action or had any steps taken or had any legal proceedings started or threatened against it for its winding-up (voluntary or otherwise), dissolution, striking-off or reorganisation or for the appointment of a receiver, administrator (including the filing of any administration application, notice of intention to appoint an administrator or notice of appointment of an administrator), administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction;
- (xvii) made any amendment to its memorandum or articles of association;
- (xviii) waived, compromised or settled any claim or authorised any such waiver or compromise, save in the ordinary course of business, which is material in the context of the Wider Sinclair Group taken as a whole or material in the context of the Offer;
- (xix) taken, entered into or had started or threatened against it in a jurisdiction outside England and Wales any form of insolvency proceeding or event similar or analogous to any of the events referred to in Conditions 3(f)(xi) and (xvi) above; or
- (xx) agreed to enter into or entered into an agreement or arrangement or commitment or passed any resolution or announced any intention or made any offer (which remains open to acceptance) with respect to any of the transactions, matters or events referred to in this Condition 3(f);

No adverse change, litigation, regulatory enquiry or similar

- (g) except as Disclosed, since 31 December 2017 there having been:
 - (i) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Sinclair Group which is material in the context of the Wider Sinclair Group taken as a whole or is material in the context of the Offer;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Sinclair Group or to which any member of the Wider Sinclair Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Sinclair Group, in each case which is or might reasonably be expected to be material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;
 - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Sinclair Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Sinclair Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Sinclair Group taken as a whole or the Wider Huadong Group taken as a whole or is material in the context of the Offer;

- (iv) no contingent or other liability having arisen or increased which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Sinclair Group to an extent which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;
- (v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence, authorization, permit or consent held or applied for by any member of the Wider Sinclair Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which or failure to obtain might reasonably be expected to have a material adverse effect on the Wider Sinclair Group taken as a whole or is material in the context of the Offer;

No discovery of certain matters regarding information, liabilities and environmental issues

- (h) except as Disclosed, Huadong not having discovered:
 - (i) that any financial, business or other information concerning any member of the Wider Sinclair Group publicly announced prior to the date of this Announcement by or on behalf of any member of the Wider Sinclair Group is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to an extent which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;
 - (ii) that any member of the Wider Sinclair Group is subject to any liability, contingent or otherwise, which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer and is not disclosed in the annual reports and accounts of Sinclair for the financial year ended 31 December 2017;
 - (iii) that any past or present member, director, officer or employee of any member of the Wider Sinclair Group has not complied in any material respect with all applicable legislation, regulations or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability, including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Sinclair Group which is material in the context of the Wider Sinclair Group taken as a whole;
 - (iv) that there has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability on the part of any member of the Wider Sinclair Group, in each case to an extent which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;
 - (v) that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Sinclair Group, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common

law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto, in each case which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer; or

- (vi) that circumstances exist (whether as a result of making the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Sinclair Group would be likely to be required to institute) an environmental audit or take any steps which would in any such case be reasonably likely to result in any material actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Sinclair Group (or on its behalf) or by any person for which a member of the Wider Sinclair Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider Sinclair Group taken as a whole or in the context of the Offer;

Anti-corruption and criminal property

- (i) except as Disclosed, Huadong not having discovered:
 - (i) any past or present member, director, officer or employee of the Wider Sinclair Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, as amended or the US Foreign Corrupt Practices Act 1977, as amended or any other anti-corruption legislation applicable to the Wider Sinclair Group;
 - (ii) any past or present member of the Wider Sinclair Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governments or supranational body or authority in any jurisdiction;
 - (iii) any asset of any member of the Wider Sinclair Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
 - (iv) that any past or present member, director, officer or employee of the Wider Sinclair Group has engaged in any business with or made any investments in, or made any payments, funds or assets available, to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury; or (ii) any government, entity or individual named by any of the economic sanctions of the United Nations or the European Union or any of their respective member states, in each case to an extent which is material in the context of the Wider Sinclair Group as a whole.

Part B: Certain further terms of the Offer

1. Subject to the requirements of the Panel, Huadong reserves the right in its sole discretion to waive:
 - (a) any of the Conditions set out in the above Condition 2 of Part A for the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing. If any such deadline is not met, Huadong shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Sinclair to extend the deadline in relation to the relevant Condition; and
 - (b) in whole or in part all or any of the above Conditions 3(a) to (i) of Part A inclusive.
2. For the avoidance of doubt, the Condition set out in Condition 2.3 of Part A (relating to the passing of the MIP Resolution at the General Meeting by the requisite majority of Sinclair Independent Shareholders) is not capable of being waived by Huadong.
3. If Huadong is required by the Panel to make an offer for Sinclair Shares under the provisions of Rule 9 of the Code, Huadong may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.
4. The Offer will lapse (unless otherwise agreed with the Panel) if:
 - (a) it becomes the subject of a CMA Phase 2 Reference, or the European Commission either initiates proceedings under Article 6(1)(c) of the EU Merger Regulation in respect of the Offer or makes a referral of any part of the Offer to a competent authority of the United Kingdom under Article 9(1) of the EU Merger Regulation and there is subsequently a CMA Phase 2 Reference in respect of the Offer; or
 - (b) in so far as the Offer or any matter arising from the Scheme or the Offer does not constitute a concentration with an EU dimension within the scope of the EU Merger Regulation, the European Commission decides to examine the Offer or any matter arising from it pursuant to Article 22(3) of the EU Merger Regulation and the European Commission initiates proceedings under Article 6(1)(c) of the EU Merger Regulation in respect of the Offer,

in each case, before the date of the Court Meeting or the General Meeting.
5. Under Rule 13.5 of the Code, Huadong may not invoke a condition of the Scheme so as to cause the Scheme not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Huadong in the context of the Offer. Whether or not such condition can be invoked would be determined by the Panel. The conditions contained in Conditions 1 and 2 are not subject to this provision of the Code.
6. Huadong shall not be under any obligation to waive (if capable of waiver), to determine, to be or remain satisfied or to treat as fulfilled any of the Conditions (to the extent capable of waiver) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
7. The Sinclair Shares to be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or

accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made, paid or payable, or any return of capital made on or after the date of this Announcement.

8. If, after the date of the Rule 2.4 Announcement but prior to the Scheme Court Hearing, any dividend and/or other distribution and/or other return of capital is authorised, declared, made or paid or becomes payable in respect of Sinclair Shares, Huadong reserves the right (without prejudice to any right of Huadong, with the consent of the Panel, to invoke Condition 3(f)(ii) or 3(f)(iv) above) to reduce the consideration payable under the Scheme in respect of a Sinclair Share by the aggregate amount of such dividend, distribution or return of capital (excluding associated tax credit) in which case any reference in this Announcement or in the Scheme Document to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced.
9. If any such dividend or distribution is authorised, declared, made, paid or becomes payable before the Scheme Court Hearing, if Huadong exercises its rights described in these paragraphs 8 to 11, any reference in this Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced.
10. To the extent that such a dividend or distribution has been authorised or declared but has not been paid or made or become payable before the Scheme Court Hearing and such dividend or distribution is cancelled, then the consideration payable under the Scheme shall not be subject to change in accordance with these paragraphs 8 to 11.
11. Any exercise by Huadong of its rights referred to in these paragraphs 8 to 11 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.
12. Huadong reserves the right to elect (subject to the terms of the Offer Agreement and with the consent of the Panel, if required) to implement the Offer by way of a Contractual Offer, in its absolute discretion. In such event, the acquisition will be implemented on substantially the same terms subject to appropriate amendments, including (without limitation), with the consent of the Panel, if required, an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Huadong may decide) of the shares to which such offer relates, so far as applicable, as those which would apply to the Scheme.
13. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
14. The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a Restricted Jurisdiction. This Announcement does not constitute an offer in any Restricted Jurisdiction and the Offer should not be accepted by any such use, means, instrumentality or facilities or otherwise from or within any Restricted Jurisdiction. Accordingly, copies of this Announcement are not being and must not be mailed, transmitted or otherwise distributed in whole or in part, in, into any Restricted Jurisdiction and persons receiving this Announcement (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from any Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer.
15. Huadong reserves the right for any other member of the Huadong Group from time to time to implement the Offer.

16. The Offer is governed by the laws of England and Wales and is subject to the jurisdiction of the courts of England and Wales and to the Conditions and further terms set out in this Appendix 2 and to be set out in the Scheme Document. The Offer will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange, the AIM Rules and, if applicable, the Financial Conduct Authority.
17. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

Appendix 3

IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

Shareholder Irrevocable Undertakings

The following Sinclair Shareholders have, on the basis set out below, given irrevocable undertakings to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting or, as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Shareholder	Number of Sinclair Shares in respect of which undertaking is given	Percentage of existing issued share capital of Sinclair
Lansdowne Developed Markets Master Fund Limited	59,987,523	[11.91]%
Funds managed by Abingworth LLP	28,889,270	[5.73]%
Total	88,876,793	[17.64]%

Each of the irrevocable undertakings referred to above will cease to be binding only if the Scheme (or, if made, a Contractual Offer) lapses or is withdrawn in accordance with its terms and at or before the time of such lapse or withdrawal, Huadong has not publicly confirmed that it intends to implement the Offer by way of a Contractual Offer or otherwise.

Director Irrevocable Undertakings

The following Sinclair Independent Directors have also, on the basis set out below, given irrevocable undertakings to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, or as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Director or connected person	Number of Sinclair Shares in respect of which undertaking is given	Percentage of existing issued share capital of Sinclair
Grahame Cook	700,000	0.14%
Jeffery Thompson	350,000	0.07%
Total	1,050,000	0.21%

Chris Spooner and Alan Olby have also, on the basis set out below, given irrevocable undertakings to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (other than the MIP Resolution, on which they are not entitled to vote as a result of their interest in the MIP), or as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Director or connected person	Number of Sinclair Shares in respect of which undertaking is given	Percentage of existing issued share capital of Sinclair
Chris Spooner	10,440,479	2.07%
Alan Olby	468,300	0.09%
Total	10,908,779	2.17%

The irrevocable undertakings from the Sinclair Independent Directors, Chris Spooner and Alan Olby will only cease to be binding if:

- if the Sinclair Shareholders, having voted at the Court Meeting and at the General Meeting, do not approve the Scheme or any Resolution, respectively, by the requisite majority; or
- the Scheme lapses or is withdrawn in accordance with its terms and at or before the time of such lapse or withdrawal, Huadong has not publicly confirmed that it intends to implement the Possible Offer by way of takeover offer within the meaning of section 974 of the Companies Act 2006 or otherwise.

Letter of Intent

The following Sinclair Shareholder has, on the basis set out below, given a letter of intent to Huadong to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting or, as the case may be, to accept, or procure the acceptance of, a Contractual Offer made by Huadong.

Name of Shareholder	Number of Sinclair Shares in respect of which letter of intent is given	Percentage of existing issued share capital of Sinclair
Funds managed by Toscafund Asset Management LLP	148,613,603	[29.50]%

Appendix 4

BASES AND SOURCES OF INFORMATION

1. Unless otherwise stated, financial information relating to:
 - Sinclair has been extracted or derived (without any adjustment) from Sinclair's Annual Report and Accounts for the 12 months ended 30 June 2015, the 18 months ended 31 December 2016 and the 12 months ended 31 December 2017; and
 - HMC has been extracted or derived (without any adjustment) from HMC's annual report and accounts for the year ended 31 December 2017.
2. References to percentages of Sinclair Shares (before completion of the Offer) are based upon the current undiluted number of Sinclair Shares in issue referred to in paragraph 3 below of this Appendix 4.
3. Sinclair confirms that, as at the close of business on [●] 2018, being the latest practicable date prior to this Announcement, Sinclair had in issue [503,768,952] Sinclair Shares (being its undiluted share capital) and this does not include any shares issuable pursuant to any options, warrants or other convertible securities in Sinclair and assumes no further issue of Sinclair Shares prior to completion of the Offer.
4. Sinclair confirms that, as at the close of business on [●] 2018, being the latest practicable date prior to this Announcement, Sinclair had in issue nil-cost options over 3,020,199 Sinclair Shares pursuant to the VCP and convertible loan notes with a nominal value of £3,584,000 that could accrue total interest of £238,017 at a rate of 8.0 per cent. per annum by 21 December 2018 (being the Long Stop Date), which could be convertible at a price of 28.0 pence per Sinclair Share into 13,650,060 Sinclair Shares. Sinclair confirms that it holds no Sinclair Shares in treasury.
5. The total value of the Offer of approximately £166.5 million has been calculated on the basis of the information contained in paragraphs 3 and 4 above.
6. Volume weighted average prices are derived from Bloomberg.
7. Sinclair confirms that, as at the close of business on [●] 2018, being the latest practicable date prior to this Announcement, the total value of the Sinclair Shares referred to in paragraph 3 above at the Offer Price plus the value of the options and convertible loan notes in paragraph 4 above at the Offer Price plus the maximum payment to be made under the Sinclair 2013 Bonus Plan assuming all awards are accelerated and vest in full at the Offer Price is £[168,927,146].
8. The maximum payment to be made under the Sinclair 2013 Bonus Plan assuming all awards are accelerated and vest in full at the Offer Price is based on a GBP:US\$ exchange rate of [●], as derived from Bloomberg as of 6.00 p.m. London time on [●] (being the last practicable date prior to this Announcement) and a GBP:EUR exchange rate of [●], as derived from Bloomberg as of 6.00 p.m. London time on [●] (being the last practicable date prior to this Announcement).
9. The revenue figures for HMC, CGE and Hangzhou Huadong in paragraph 5 of this Announcement are based on US\$:CNY exchange rate of 6.5068, as derived from Bloomberg, as of 6.00 p.m. London time on 29 December 2017 (being the last Business Day of 2017).

10. HMC's market capitalisation is derived from Bloomberg and converted into US\$ based on US\$:CNY exchange rate of [●], as derived from Bloomberg, as of 6.00 p.m. London time on [●] 2018 (being the last practicable Business Day prior to this Announcement).
11. Certain figures included in this Announcement have been subject to rounding adjustments.

Appendix 1

ICBC BANK GUARANTEE

IRREVOCABLE BANK GUARANTEE

LG No. **xxxx**

To: Huadong Medicine Aesthetics Investment (Hongkong) Limited ("**Bidco**" or "**you**")

Room 1405
14/F., Lucky Centre
165 Wanchai Road
Wanchai
Hong Kong

From: Industrial and Commercial Bank of China Limited, London Branch (the "**Issuing Bank**" or "**we**")

81 King William Street
London
EC4N 7BG

Date [**August** 2018]

At the request of Huadong Medicine Co., Ltd. ("**Topco**"), we hereby issue this irrevocable bank guarantee No. **xxxxx** ("**Bank Guarantee**") in your favour for up to the Maximum Bank Guarantee Amount in relation to the Public Takeover Offer for the purpose of providing Bidco with the requisite funds to make payments of cash consideration to the shareholders of, and the holders of convertibles over, or other rights to receive shares (including notional shares under the Target's Bonus Plan) in, the Target and to make associated payments of fees and expenses, in each case in connection with the Public Takeover Offer.

1. Definitions

In this Bank Guarantee:

"**Authorised Representatives**" means [LI Bangliang and MA Honglan]

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.

"**Demand**" means a demand for a payment under this Bank Guarantee in the form of Schedule 1 to this Bank Guarantee.

"**Expiration Date**" means the earlier of a) the date falling 365 days from the date of this Bank Guarantee; or b) August 15th 2019. or c) the consideration of Public Takeover Offer was fully paid.

"Maximum Aggregate Bank Guarantee Amount" means GBP[175,000,000.00 (One Hundred And Seventy Five Million Pounds Sterling only)].

Place of Expiry: at the Guarantor's counter in London, UK

"Public Takeover Offer" means the public offer, however implemented, by you or one of your direct or indirect wholly-owned subsidiaries to acquire up to 100% of the issued and to be issued share capital of the Target (including any options and other convertible interests over, or other rights to receive shares ,and notional shares under the Target's Bonus Plan in, the Target).

"Registrars" means Link Market Services Limited, a company incorporated under the laws of England Wales with registered number 2605568.

"Scheme" means the proposed scheme of arrangement under Part 26 of the Companies Act 2006, as amended, between the Target and the Target's shareholders in connection with the Public Takeover Offer, with or subject to any modification, addition or condition approved or imposed by the High Court of Justice in England and Wales and agreed by the Target and Bidco.

"SWIFT" means the network provided by the Society for Worldwide Interbank Financial Telecommunication.

"Target" means Sinclair Pharma PLC, a public limited company incorporated under the laws of England and Wales with registered number 03816616.

"Target's Bonus Plan" means the 2013 Bonus Plan adopted by the Target on 10 June 2013 as amended from time to time.

"URDG 758" means the Uniform Rules for Demand Guarantees, International Chamber of Commerce Publication No. 758.

2. Issuing Bank's Agreement

- (a) In connection with the Public Takeover Offer, we undertake to pay you any amount up to the Maximum Bank Guarantee Amount in accordance with the terms and conditions of this Bank Guarantee.
- (b) This Bank Guarantee shall become effective upon issuance, and the proceeds of any drawing under this Bank Guarantee shall be used solely for the purposes of (i) paying cash consideration to the shareholders of, and the holders of convertibles over, or other rights to receive shares (including notional shares under the Target's Bonus Plan) in, the Target and (ii) to make associated payments of fees and expenses to, in each case in connection with the Public Takeover Offer.

- (c) Bidco may request a drawing under this Bank Guarantee either by (i) submitting (or procuring the submission on its behalf) to the Issuing Bank a duly completed Demand (as per schedule 1) via authenticated SWIFT using the SWIFT code set out in paragraph 5 below or (ii) sending a duly completed Demand (as per schedule 1) to the Issuing Bank by letter duly signed by two Authorised Representatives accompanied by either (A) a letter from Bidco's bankers in the form of Schedule 2 to this Bank Guarantee or (B) an acknowledgment by a solicitor, lawyer or notary in the form of Schedule 3 to this Bank Guarantee. Multiple drawings are allowed provided that the aggregate amount under the Demands shall not exceed the Maximum Bank Guarantee Amount. A Demand must be received by the Issuing Bank by no later than 5:00 p.m. (London time) on the Expiration Date. Each Demand must be sent either (x) by letter via registered mail, or courier at the address mentioned in paragraph 5 below or (y) by authenticated SWIFT using the SWIFT code mentioned in paragraph 5 below.
- (d) Subject to the terms of this Bank Guarantee, the Issuing Bank unconditionally and irrevocably undertakes to Bidco that, within four (4) Business Days of receipt by it of a complying Demand, it shall pay the amount demanded in that Demand into the Registrar's/ Target's account specified in that Demand without any protest or delay and without any deduction, set-off, counterclaim or withholding. Bidco will request a drawing under this Bank Guarantee no earlier than four (4) business days after Scheme is effective.
- (e) The Issuing Bank will not be obliged to make a payment in any case under this Bank Guarantee if as a result the aggregate amount of all payments made by it under this Bank Guarantee would exceed the Maximum Bank Guarantee Amount.
- (f) The Issuing Bank processes transactions in accordance with local and international laws and regulations, and reserves the right to comply with foreign sanctions as well. Consequently documents issued by or showing any involvement of Bidco sanctioned by any competent authority or contained any information thereon might not be processed by the Issuing Bank at its sole discretion and without any liability on its part.

3. Expiration

- (a) On 5:00 p.m. (London time) on the Expiration Date the obligations of the Issuing Bank under this Bank Guarantee will cease with no further liability on the part of the Issuing Bank except for any complying Demand presented under the Bank Guarantee on or prior to the Expiration Date that remains unpaid. Without prejudice to paragraph 3(b) below, until the Expiration Date, the obligations of the Issuing Bank to any complying

Demand shall be irrevocable and, subject to the terms and conditions of this Bank Guarantee, the Issuing Bank's obligations to fund under the guarantee may not be withdrawn, refused or terminated before the Expiration Date.

- (b) After the Expiration Date we, the Issuing Bank, will not accept any further or new Demand and this Bank Guarantee will automatically become null and void whether it is returned to us for cancellation or not except in relation to any complying Demand presented under the Bank Guarantee received by us on or prior to the Expiration Date that remains unpaid.

4. Payments

All payments under this Bank Guarantee shall be made in Pounds Sterling and for value on the date of remittance to the Registrar's / Target's account specified in the Demand in accordance with paragraph 2(d) above.

5. Delivery of Demand

Each Demand shall be in writing, and, unless otherwise stated, may be made by a duly signed letter or via authenticated SWIFT and in the case of a letter, must be received in legible form by the Issuing Bank at the following address and by the particular department before the Expiration Date as follows:

Industrial and Commercial Bank of China Limited, London Branch
81 King William Street
London
EC4N 7BG

Attention: - Trade Finance Dept

and in the case of via authenticated SWIFT (MT799) at the following SWIFT code;

ICBK GB3L – Attn: Trade Finance Dept

6. Assignment

This Bank Guarantee is for the sole benefit of Bidco and is not transferrable or assignable by Bidco.

7. Language

Any communication, notice or Demand made or given under this Bank Guarantee must be in English.

8. URDG 758

- (a) Except to the extent it is inconsistent with the express terms of this Bank Guarantee and subject to paragraph (b) below, this Bank Guarantee is subject to the URDG 758 and terms defined therein shall have the same meaning herein unless otherwise defined.
- (b) The following provision of the URDG 758 is excluded in their entirety:
 - (i) article 15 (a) (*Requirements for demand*), and
 - (ii) article 21 (b)(i) (*Currency of payment*)-, and
- (c) This Bank Guarantee is an operative instrument.

9. Governing Law, etc.

- (a) A person who is not a party to this Bank Guarantee has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Bank Guarantee.
- (b) This Bank Guarantee and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (c) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Bank Guarantee (including a dispute relating to any non-contractual obligation arising out of or in connection with this Bank Guarantee).

Yours faithfully

For Industrial and Commercial Bank of China Limited, London Branch

Authorized Signature(s)

SCHEDULE 1

FORM OF DEMAND

To: Industrial and Commercial Bank of China Limited, London Branch
81 King William Street
London
EC4N 7BG

Attention: Trade Finance Dept

From: Huadong Medicine Aesthetics Investment (Hongkong) Limited ("we")
Room 1405
14/F., Lucky Centre
165 Wanchai Road
Wanchai
Hong Kong

Date: [•]

Dears Sirs

Bank Guarantee no. xxxxx dated August 2018 issued in favour of Huadong Medicine Aesthetics Investment (Hongkong) Limited (the "Bank Guarantee")

1. We refer to the Bank Guarantee. Terms defined in the Bank Guarantee have the same meaning when used in this Demand.
2. We demand payment of the sum of GBP[•].
3. We certify that after giving effect to the payment of the sum requested in this Demand, the aggregate amount of all payments made by the Issuing Bank under the Bank Guarantee will not exceed the Maximum Bank Guarantee Amount.
4. We confirm that we will use the sum requested in this Demand to make payments of cash consideration to the shareholders of, and the holders of convertibles over, or other rights to receive shares (including notional shares under the Target's Bonus Plan) in, the Target and to make associated payments of fees and expenses, in each case in connection with the Public Takeover Offer.

5. We confirm that the sum requested in this Demand is required in relation to the Public Takeover Offer to make payments of cash consideration to the shareholders of, and the holders of convertibles over, or other rights to receive shares (including notional shares under the Target's Bonus Plan) in, the Target and to make associated payments of fees and expenses, in each case in connection with the Public Takeover Offer and we claim under the guarantee because the shareholders of, and the holders of convertibles over, or other rights to receive shares of, the Target (including notional shares under the Target's Bonus Plan) have not at the date of this Demand received the payments due to them from Bidco under the Public Takeover Offer.
6. We confirm that we have received [*a copy of an order issued by the High Court of Justice in England and Wales sanctioning the Scheme under Part 26 of the Companies Act 2006, as amended*] / [*a copy of a public announcement stating that an order has been issued by the High Court of Justice in England and Wales sanctioning the Scheme under Part 26 of the Companies Act 2006, as amended*] Please find attached certified true copies of the abovementioned documents-
7. Payment should be made into the [*registrar's*] / [*Target's*] bank account specified below:

Account Bank: [•]

Address: [•]

Sort Code: [•]

Account Number: [•]

IBAN: [•]

SWIFT Code: [•]

Account Name: [•]

8. The date of this Demand is not later than the Expiration Date.

Yours faithfully

(Authorised Signatory / Authorized Signatories)

For

Huadong Medicine Aesthetics Investment (Hongkong) Limited

SCHEDULE 2

SIGNATURE VERIFICATION LETTER

[On letterhead of Bidco's bankers

Industrial and Commercial Bank of China Limited, London Branch
81 King William Street
London
EC4N 7BG

Attention: Trade Finance Dept

Date: [•]

Bank Guarantee no. xxxxx dated August 2018 issued in favour of Huadong Medicine Aesthetics Investment (Hongkong) Limited (the "Bank Guarantee")

1. Reference is made to the Bank Guarantee. Terms defined in the Bank Guarantee have the same meaning when used in this letter.
2. This letter serves as confirmation that [name] are Bidco's [bankers].
3. On 2018, before me, personally appeared [name] personally known to me or proved to me on the basis of satisfactory evidence to be [name] and acknowledged to me that (a) his/her signature is on the Demand attached hereto, (b) he/she executed the same in his/her capacity as an Authorised Signatory, and (c) by his/her signature on the attached Demand, Bidco executed the Demand. Furthermore, we confirm that his / her signature is authentic, valid and legal binding.

Yours faithfully

[Name]

[Title]

SCHEDULE 3

ACKNOWLEDGMENT FROM NOTARY/SOLICITOR

ACKNOWLEDGMENT

)
[Insert relevant location])
) ss.:

[On 2018, before me, personally appeared [name], personally known to me or proved to me on the basis of satisfactory evidence to be [name] and acknowledged to me that (a) his/her signature is on the bank guarantee demand attached hereto, (b) he/she executed the same in his/her capacity as an Authorised Signatory (as defined in the bank guarantee referenced in the bank guarantee demand), and (c) by his/her signature on the attached bank guarantee demand, Huadong Medicine Aesthetics Investment (Hongkong) Limited executed the bank guarantee demand. Furthermore, we confirm that his / her signature is authentic, valid and legal binding.

IN WITNESS WHEREOF, I have hereunto set my hand [and official seal].

[Notary Seal]

jurisdiction] _____
Name:
Title:[Notary Public in and for said
jurisdiction] [[Solicitor/Lawyer] admitted in said
jurisdiction] [My commission expires:_____]

