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**Shanghai Henlius Biotech, Inc.**

**上海復宏漢霖生物技術股份有限公司**

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

**(Stock Code: 2696)**

## **CONNECTED TRANSACTIONS FOSUN PHARMA INDUSTRIAL TECHNICAL SERVICES AGREEMENT**

### **FOSUN PHARMA INDUSTRIAL TECHNICAL SERVICES AGREEMENT**

On 16 March 2022, the Company entered into the Fosun Pharma Industrial Technical Services Agreement with Fosun Pharma Industrial, pursuant to which the Company agreed to provide CMC and preclinical toxicological research services to Fosun Pharma Industrial in relation to an antibody drug FS2101 being developed by Fosun Pharma Industrial.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Fosun Pharma Industrial is a subsidiary of Fosun Pharma (a controlling shareholder of the Company), therefore Fosun Pharma Industrial is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the Fosun Pharma Industrial Technical Services Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the consideration under the Fosun Pharma Industrial Technical Services Agreement, is more than 0.1% but less than 5%, the transactions under the Fosun Pharma Industrial Technical Services Agreement are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **A. INTRODUCTION**

On 16 March 2022, the Company entered into the Fosun Pharma Industrial Technical Services Agreement with Fosun Pharma Industrial, pursuant to which the Company agreed to provide CMC and preclinical toxicological research services to Fosun Pharma Industrial in relation to an antibody drug FS2101 being developed by Fosun Pharma Industrial.

FS2101 uses a cocktail of therapies with neutralizing activity covering the major neo-coronavirus variants identified so far, for post-exposure prophylaxis or treatment of novel coronavirus pneumonia (COVID-19).

## **B. FOSUN PHARMA INDUSTRIAL TECHNICAL SERVICES AGREEMENT**

The principal terms of Fosun Pharma Industrial Technical Services Agreement are summarised as follows:

### **(a) Subject Matter**

Pursuant to Fosun Pharma Industrial Technical Services Agreement, in relation to the antibody drug FS2101 being developed by Fosun Pharma Industrial, the Company agreed to provide CMC and preclinical toxicological research services, including cell line development, process development, non-GMP manufacturing, cGMP manufacturing preparation, preclinical bioanalysis and toxicological research, etc., to Fosun Pharma Industrial to support Fosun Pharma Industrial to complete NMPA and FDA IND filing and initiate clinical trial.

The Fosun Pharma Industrial Technical Services Agreement is effective from the date of execution and will expire in three years.

### **(b) Consideration**

Fosun Pharma Industrial shall pay the Company RMB32,556,300 for the services provided under the Fosun Pharma Industrial Technical Services Agreement.

The consideration was determined after arm's length negotiations between the parties with reference to the prevailing market rate for the types of services of similar nature and the Company's cost.

### **(c) Payment Terms**

The consideration will be paid by Fosun Pharma Industrial in two installments:

- (i) 80% of the total consideration, being RMB26,045,000, will be paid within 45 days after Fosun Pharmaceutical industry receives the invoice upon the execution of Fosun Pharma Industrial Technical Services Agreement and before the commencement of the non-GMP production preparation work; and
- (ii) 20% of the total consideration, being RMB6,511,300, will be paid upon receipt of the draft of the project summarisation report and within 30 days after Fosun Pharmaceutical industry receives the invoice.

## **C. REASONS FOR, AND BENEFITS OF, FOSUN PHARMA INDUSTRIAL TECHNICAL SERVICES AGREEMENT**

Given that the Company can provide CMC technical services from process development to cGMP manufacturing, analytical testing services, preclinical toxicological research and preclinical bioanalysis services, and entering into the Fosun Pharma Industrial Technical Services Agreement will create commercial interests for the Group, the Directors consider that it is in the interests of the Company to enter into the Fosun Pharma Industrial Technical Services Agreement.

## **D. LISTING RULES IMPLICATIONS**

As at the date of this announcement, Fosun Pharma Industrial is a subsidiary of Fosun Pharma (a controlling shareholder of the Company), therefore Fosun Pharma Industrial is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the Fosun Pharma Industrial Technical Services Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the consideration under the Fosun Pharma Industrial Technical Services Agreement, is more than 0.1% but less than 5%, the transactions under the Fosun Pharma Industrial Technical Services Agreement are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **E. DIRECTORS' CONFIRMATION**

The Directors (including the independent non-executive Directors) are of the view that the term of the Fosun Pharma Industrial Technical Services Agreement is fair and reasonable, and that the transactions contemplated thereunder are in the ordinary and usual course of business of the Company, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, as each of Mr. Qiyu Chen, Mr. Yifang Wu, Ms. Xiaohui Guan, Dr. Aimin Hui and Mr. Zihou Yan holds various positions with Fosun Pharma and/or their respective subsidiaries, each of them has abstained from voting on the Board resolutions approving the Fosun Pharma Industrial Technical Services Agreement.

Save for the above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has a material interest in the Fosun Pharma Industrial Technical Services Agreement, and no other Director has abstained from voting on the relevant Board resolutions approving the Fosun Pharma Industrial Technical Services Agreement.

## **F. INFORMATION ABOUT THE PARTIES**

### **(a) Fosun Pharma Industrial Development**

Fosun Pharma Industrial Development is a company incorporated in the PRC with limited liability and a wholly owned subsidiary of Fosun Pharma. Fosun Pharma Industrial Development is principally engaged in industrial investment, pharmaceutical industry investment and import and export of goods and technology.

### **(b) The Company**

The Company is a leading biopharmaceutical company in the PRC with the vision to offer high-quality, affordable and innovative drugs for patients worldwide. The H Shares of the Company have been listed on the Main Board of the Stock Exchange since September 2019.

## G. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“cGMP”	Current Good Manufacturing Practice
“CMC”	Chemistry, Manufacturing and Control
“Company”	Shanghai Henlius Biotech, Inc., a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“FDA”	United States Food and Drug Administration
“Fosun Pharma”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC, the H shares (Stock Code:02196) and A shares (Stock Code:600196) of which are listed and traded on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively
“Fosun Pharma Industrial”	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Fosun Pharma
“Fosun Pharma Industrial Technical Services Agreement”	the technical services agreement dated 16 March 2022 entered into between the Company and Fosun Pharma Industrial
“Group”	The Company and its subsidiaries
“GMP”	Good Manufacturing Practice
“IND”	Investigational New Drug
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time
“NMPA”	National Medical Products Administration

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

On behalf of the Board  
**Shanghai Henlius Biotech, Inc.**  
**Wenjie ZHANG**  
*Chairman*

Hong Kong, 16 March 2022

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wenjie Zhang as the chairman and executive director, Mr. Qiyu Chen, Mr. Yifang Wu, Ms. Xiaohui Guan, Dr. Aimin Hui and Mr. Zihou Yan as the non-executive directors, and Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Guoping Zhao and Dr. Ruilin Song as the independent non-executive Directors.*