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)

VOLUNTARY ANNOUNCEMENT

COOPERATION AND LICENSE ARRANGEMENT WITH NEUPHARMA FOR SMALL-MOLECULE INHIBITOR RX208 TARGETING V600E MUTATION IN HUMAN BRAF PROTEIN

A. INTRODUCTION

The board of directors of Shanghai Henlius Biotech, Inc. (the "**Company**") is pleased to announce that on 27 March 2021, the Company entered into a binding term sheet (the "**Term Sheet**") with Suzhou NeuPharma Co., Ltd.* ("**NeuPharma**"), pursuant to which NeuPharma agreed to grant the Company an exclusive right and license to develop, manufacture, commercialize and sublicense a small-molecule inhibitor RX208 targeting V600E mutation in human BRAF protein (the "**Licensed Product**") in China (including Hong Kong, Macau and Taiwan regions) (the "**Licensed Territory**").

B. PRINCIPAL TERMS OF THE TERM SHEET

Collaboration and License

NeuPharma will grant the Company the exclusive rights to the Licensed Product under the relevant licensed patents and know-how, i.e. all necessary or reasonably useful inventions, data, information, methods, procedures, processes and materials, with the right to grant sublicense, to research, develop, manufacture, commercialize, make, have made, use, import, offer for sale and sell the Licensed Product in the Licensed Territory.

Payments and Royalties

The Company shall pay NeuPharma:

- upfront payment of an aggregate of RMB97.5 million upon completion of documentation and technical transfer in respect of the Licensed Product;

- regulatory and commercial sales milestone payments of no more than RMB1.0775 billion in aggregate based on various development and commercial sales milestones of the Licensed Product; and

- the royalties of 8% to 12% of the annual net sales, which depends on the level of annual net sales of the Licensed Product in the Licensed Territory.

Plan of entering into the Definitive agreement	The parties to the transaction agree to execute the definitive licensing agreement within 30 days.

C. INFORMATION ABOUT THE LICENSED PRODUCT

The Licensed Product RX208 is a small-molecule inhibitor targeting the human BRAF protein V600E mutation, which has exhibited excellent drug efficacy and safety in pre-clinical research and is currently in the stage of phase I clinical development. BRAF protein is an important upstream regulator of MAPK/ERK signaling pathway, and its V600E mutation can induce constitutive activity of BRAF protein. It is a potential drug target for a variety of tumors including colorectal cancer, thyroid cancer, melanoma and certain rare diseases including Erdheim-Chester disease (ECD).

D. INFORMATION ABOUT NEUPHARMA

NeuPharma was founded in 2009 by a team of oversea returnees with many years of rich experience in the biopharmaceutical industry. Its registered address is in Suzhou, Jiangsu Province. Its legal representative is QIAN XIANGPING. NeuPharma focuses on the research and development of innovative anti-tumor small-molecule drugs. It is currently conducting a number of clinical trials in China, the United States, and Australia for its drug candidates.

E. REASONS AND BENEFITS OF THE COLLABORATION

The Licensed Product RX208 is a small-molecule inhibitor targeting BRAF protein V600E mutation, which has the advantages of strong drug potency, high selectivity and minor toxic side effects. It is expected to be developed into a safer and more efficacious BRAF V600E inhibitor for the benefits of a broader patient population in the future. The collaboration could further enrich the innovative product pipeline of the Group based on its existing commercialization platform of the fully integrated pharmaceutical industry chain, and the Licensed Product may have a synergistic effect with the biopharmaceuticals within the Group's pipeline, thereby enhancing the Group's comprehensive market competitiveness in the field of tumor treatment.

Clinical development of a drug involves a lengthy and inherently unpredictable process. The Company may not be able to develop and ultimately commercialize the Licensed Product successfully. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Shanghai Henlius Biotech, Inc.
Qiyu CHEN
Chairman

Hong Kong, 28 March 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Wenjie Zhang as the executive director, Mr. Qiyu Chen as the chairman and non-executive director, 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.

* *For identification purpose only*