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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **CLINICAL TRIAL RESEARCH SERVICES AGREEMENT**

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On 24 November 2022, the Company entered into the Clinical Trial Research Services Agreement with Genuine Biotech and Fosun Pharma Industrial Development, pursuant to which the Company agreed to provide clinical trial research services in relation to the prevention of SARS-Cov-2 of Azvudine, including clinical study design and management services, to Genuine Biotech and Fosun Pharma Industrial Development.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Fosun Pharma Industrial Development is a wholly-owned subsidiary of Fosun Pharma, the controlling shareholder of the Company. Therefore, Fosun Pharma Industrial Development is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the Clinical Trial Research Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the transactions with Fosun Pharma Industrial Development under the Clinical Trial Research Services Agreement is more than 0.1% but less than 5%, the transactions under the Clinical Trial Research 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 24 November 2022, the Company entered into the Clinical Trial Research Services Agreement with Genuine Biotech and Fosun Pharma Industrial Development, pursuant to which the Company agreed to provide clinical trial research services in relation to the prevention of SARS-Cov-2 of Azvudine, including clinical study design and management services, to Genuine Biotech and Fosun Pharma Industrial Development.

## **B. CLINICAL TRIAL RESEARCH SERVICES AGREEMENT**

The principal terms of Clinical Trial Research Services Agreement are summarised as follows:

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

Pursuant to the Clinical Trial Research Services Agreement, the Company agreed to provide clinical trial research services in relation to the prevention of SARS-Cov-2 of Azvudine, including clinical study design and management services, to Genuine Biotech and Fosun Pharma Industrial Development. The services provided by the Company primarily include coordination and initiation of trials, site EC (Ethical Committee) submission, subject recruitment, medical monitoring, data management, statistical analysis, medical writing, etc..

The Clinical Trial Research Services Agreement is effective from the date of execution and will expire in one year. If the services agreed under the agreement are not completed by one year after the effective date, the parties shall, subject to compliance with the Listing Rules, negotiate in advance and enter into a renewal agreement.

### **(b) Consideration**

Pursuant to the Clinical Trial Research Services Agreement, Genuine Biotech and Fosun Pharma Industrial Development shall pay 40% and 60% of the total service fee, respectively, to the Company for the services provided under the Clinical Trial Research Services Agreement within 60 calendar days after receiving and confirming the relevant settlement documents and invoices issued by the Company.

The service fee under the Clinical Trial Research Services Agreement will be determined after arm's length negotiations among the parties with reference to the actual cost incurred by the Company for provision of services under the agreement and the prevailing market rate for the types of services of similar nature, and will be no more favourable than the fees charged by the Company when providing similar services to other independent third parties.

### **(c) Historical Amounts and Annual Cap**

There is no historical transaction amount between the Company and Fosun Pharma Industrial Development with respect to provision of the services under the Clinical Trial Research Services Agreement.

The maximum transaction amount to be paid by Fosun Pharma Industrial Development to the Company with respect to provision of the services under the Clinical Trial Research Services Agreement for the period from 24 November 2022 and ending on 31 December 2022 and the period from 1 January 2023 and ending on 23 November 2023 will not exceed RMB30,000,000 and RMB30,000,000, respectively.

The annual caps are determined with reference to, among other things, (i) the scope of services to be provided under the Clinical Trial Research Services Agreement; (ii) the estimated study protocol and schedule of the project; (iii) the prevailing market rate for provision of the services of similar nature; and (iv) the fees charged by the Company when providing services of similar nature to third parties.

**(d) Termination**

Parties are entitled to terminate the Clinical Trial Research Services Agreement according to the terms of the agreement. Upon termination of the Clinical Trial Research Services Agreement, the Company is entitled to charge Genuine Biotech and Fosun Pharma Industrial Development corresponding service fees or costs which have been incurred for providing the services under the Clinical Trial Research Services Agreement.

**C. REASONS FOR, AND BENEFITS OF, THE CLINICAL TRIAL RESEARCH SERVICES AGREEMENT**

Given that the Company can undertake clinical trial research services including clinical study design and management, and entering into the Clinical Trial Research 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 Clinical Trial Research Services Agreement.

**D. LISTING RULES IMPLICATIONS**

As at the date of this announcement, Fosun Pharma Industrial Development is a wholly-owned subsidiary of Fosun Pharma, the controlling shareholder of the Company. Therefore, Fosun Pharma Industrial Development is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the Clinical Trial Research Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the transactions with Fosun Pharma Industrial Development under the Clinical Trial Research Services Agreement is more than 0.1% but less than 5%, the transactions under the Clinical Trial Research 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 terms of the Clinical Trial Research Services Agreement (including the annual caps thereunder) are 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, Mr. Deyong Wen and Mr. Zihou Yan holds various positions with Fosun Pharma and/or its subsidiaries, each of them has abstained from voting on the Board resolutions approving the Clinical Trial Research Services Agreement and the transactions contemplated thereunder.

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 Clinical Trial Research Services Agreement, and no other Director has abstained from voting on the relevant Board resolutions approving the Clinical Trial Research Services Agreement and the transactions contemplated thereunder.

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

### **(a) Genuine Biotech**

Genuine Biotech, a company established in the PRC with limited liability, is 100% owned by Genuine Biotech HK Limited as at the date of this announcement. Genuine Biotech is a R&D driven biotech company, dedicating to the R&D, manufacture and commercialisation of innovative drugs for the treatment of viral, oncological and cerebrovascular diseases.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Genuine Biotech and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

### **(b) 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.

### **(c) 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
“Clinical Trial Research Services Agreement”	the Clinical Trial Research Services Agreement dated 24 November 2022 entered into among the Company, Genuine Biotech and Fosun Pharma Industrial Development
“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

“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 and A shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 02196) and the Shanghai Stock Exchange (stock code: 600196), respectively
“Fosun Pharma Industrial Development”	Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (上海復星醫藥產業發展有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
“Genuine Biotech”	Henan Genuine Biotech Co., Ltd.* (河南真實生物科技有限公司), a company established in the PRC with limited liability
“Group”	The Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and China Taiwan
“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, 24 November 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, Mr. Deyong Wen 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 purposes only