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

AMENDMENTS TO THE COLLABORATION AND LICENSE AGREEMENT WITH PALLEON FOR TUMOUR-RELATED TARGET-SIALIDASE BIFUNCTIONAL FUSION PROTEIN

A. INTRODUCTION

This announcement is made by Shanghai Henlius Biotech, Inc. (the "**Company**") on a voluntary basis to inform the shareholders and potential investors of the Company about the latest business development of the Company.

Reference is made to the announcement of the Company dated 28 June 2022 in relation to the collaboration and license agreement (the "**Original Agreement**") entered into between the Company and Palleon Pharmaceuticals Inc. ("**Palleon**").

The board of directors of the Company (the "**Board**") announces that on 21 May 2024, the Company and Palleon entered into relevant agreements, agreeing to amend certain terms of the Original Agreement (the "**Amendments to Agreement**"), including adjustments to the scope of the licensed products as well as the cost-sharing model relating to the early stage research and development and preclinical activities of relevant licensed products agreed under the Original Agreement. Save as the principal terms of the Amendments to Agreement as disclosed in this announcement, other principal terms of the Original Agreement remain unchanged.

B. PRINCIPAL TERMS OF THE ORIGINAL AGREEMENT

Pursuant to the Original Agreement, Palleon and the Company agreed to leverage on each party's own know-hows and patents to conduct worldwide joint development, and manufacture and commercialization in respective territories of (i) Palleon's Bifunctional HER2-Sialidase Fusion Protein and (ii) the second Tumour-Related Target-Sialidase Bifunctional Fusion Protein which is to be jointly developed by both parties (the "**First Joint Development Product**", together with Bifunctional HER2-Sialidase Fusion Protein, the "**Original Licensed Products**") for human disease therapeutics. According to the Original Agreement, the Company will fully fund the early stage research and development and preclinical activities on the First Joint Development Product, and the parties will share the

cost of carrying out preclinical development on the Bifunctional HER2-Sialidase Fusion Protein and clinical development of the Original Licensed Products, of which, the joint development cost for phase 1 clinical trials will be shared equally by the Company and Palleon, while the majority of the joint development cost for phase 2 clinical trials will be born by Palleon.

C. PRINCIPAL TERMS OF AMENDMENTS TO AGREEMENT

(a) Licensed Products after Amendments

Taking into consideration market competition factors and latest research process, the Company and Palleon agree to conduct joint development of an alternative Tumour-Related Target-Sialidase Bifunctional Fusion Protein (the "**Second Joint Development Product**") in lieu of the joint development of the Bifunctional HER2-Sialidase Fusion Protein under the Original Agreement. Accordingly, all terms in relation to the Bifunctional HER2-Sialidase Fusion Protein product under the Original Agreement shall be terminated, and the terms on research, territories, worldwide development and manufacture and milestone payments and royalties in relation to the Second Joint Development Product shall be on the same terms as those applicable to the First Joint Development Product under the Amendments to Agreement.

(b) Worldwide Development and Manufacture of Current Licensed Products

Pursuant to the Amendments to Agreement, costs relating to the early stage research and development and preclinical activities of the current Licensed Products (including the First Joint Development Product and the Second Joint Development Product, the same as below) shall be shared equally by the Company and Palleon, replacing the term under the Original Agreement that the Company will fully fund the early stage research and development and preclinical activities on the First Joint Development Product. Save as disclosed above, other terms in relation to worldwide development and manufacture of the First Joint Development Product under the Original Agreement remain unchanged, and shall apply to those of the Second Joint Development Product.

D. BENEFITS OF AMENDMENTS TO AGREEMENT

The Second Joint Development Product is Dual-Target-Sialidase Bifunctional Fusion Protein containing innovative targets, of which the dual targets are mature targets which have been developed by the Company and have solid research data for molecular functions and extensive preclinical and clinical research and development experience. By combining the latest breakthrough from Palleon's own EAGLE technology platform, it is planned to utilize enzyme molecular with more stability and activity to develop high-quality molecule drug candidates with better efficacy and greater potential, which may provide broader indication selection and market space compared with Bifunctional HER2-Sialidase Fusion Protein. The Amendments to Agreement is conducive for the Company to better promoting the research and development of the current Licensed Products, thereby creating preferable conditions for the successful development and commercialization of innovative products with more potential.

WARNING STATEMENT WITH REFERENCE TO THE REQUIREMENTS UNDER RULE 18A.05 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED: The Company cannot guarantee the successful development and commercialization of current Licensed Products. 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.
Wenjie Zhang
Chairman

Hong Kong, 21 May 2024

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. Jun Zhu as the executive director, Mr. Qiyu Chen, Mr. Yifang Wu, Ms. Xiaohui Guan, Mr. Deyong Wen and Dr. Xingli Wang 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.