THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Henlius Biotech, Inc., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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
RENEWAL OF THE SINOPHARM DISTRIBUTION COLLABORATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
滃 博 資 本 有 限 公 司

A notice convening the EGM of the Company to be held at Conference Room, 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC at 9:00 a.m. on Wednesday, 31 December 2025 is set out on pages 36 to 37 of this circular.

A letter from the Board is set out on pages 5 to 15 of this circular and a letter from the Independent Board Committee of the Company, containing its recommendation to the Independent Shareholders, is set out on page 16 of this circular. A letter from Rainbow Capital containing its advice to the Independent Board Committee and Independent Shareholders is set out on pages 17 to 31 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Board Secretary Office (for holders of Unlisted Shares), at 10th Floor, Building B8, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC, or the Company's H share registrar in Hong Kong (for holders of H Shares), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the EGM (i.e. not later than 9:00 a.m. on Tuesday, 30 December 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or at any adjourned meetings if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.henlius.com).

References to time and dates in this circular are to Beijing time and dates.

3 December 2025

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Articles of Association"	the articles of association of the Company currently in force
"Board"	the board of Directors of the Company
"Company"	Shanghai Henlius Biotech, Inc., a joint stock company established in the PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 02696)
"connected person"	has the meaning ascribed to it under the Hong Kong Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the 2025 fourth extraordinary general meeting of the Company to be held at Conference Room, 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC at 9:00 a.m. on Wednesday, 31 December 2025, for the Independent Shareholders to consider, and if thought fit, to approve the resolution contained in the notice of meeting which is set out on pages 36 to 37 of this circular, or any adjournment thereof
"Fosun Industrial"	Fosun Industrial Co., Limited (復星實業(香港)有限公司), a company incorporated in Hong Kong on 22 September 2004 with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"Fosun International"	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong on 24 December 2004 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and a controlling shareholder of the Company

"Fosun New Medicine"	Shanghai Fosun New Medicine Research Company Limited* (上海復星新藥研究有限公司), a company established in the PRC on 12 September 2008 with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"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 Group"	Fosun Pharma and its subsidiaries, including the Group
"Fosun Pharmaceutical Industrial"	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 on 27 November 2001 with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"Group"	the Company and its subsidiaries
"Group Products"	the products of the Group (except for HANLIKANG and HANDAYUAN), including HANQUYOU (trastuzumab), HANSIZHUANG (serplulimab injection), HANBEITAI (bevacizumab injection), HANNAIJIA (neratinib), FUTUONING (fovinaciclib), HLX11 (pertuzumab) etc, and any other products licensed-in by the Group from time to time as mutually agreed between the parties
"H Shares"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Hong Kong Stock Exchange and is (are) subscribed for and traded in HK dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange as amended from time to time

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	the independent board committee of the Company comprising all of the Independent Non-executive Directors
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps
"Independent Non-executive Director(s)"	the independent non-executive Director(s) of the Company, namely, Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Ruilin Song and Mr. Yihao Zhang
"Independent Shareholders"	Shareholders of the Company other than Fosun New Medicine, Fosun Pharmaceutical Industrial and Fosun Industrial
"Latest Practicable Date"	26 November 2025
"PRC" or "Mainland China"	the People's Republic of China, and for the purpose of this circular, excluding China Hong Kong, Macau and Taiwan regions
"Proposed Annual Caps"	the proposed new annual caps in respect of the transaction amounts to be received by the Group from Sinopharm Group for the sales of the Group Products under the Sinopharm Distribution Framework Agreement (2025 Renewal) for each of the three years ending 31 December 2028
"RMB"	Renminbi, the lawful currency of the PRC
"Self-owned Products"	the products (except for HANLIKANG and HANDAYUAN) of the Group, including HANQUYOU (trastuzumab), HANBEITAI (bevacizumab injection) and HANSIZHUANG (serplulimab injection) etc. sold by the Group to Sinopharm Group under the Sinopharm Distribution Framework Agreement

"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Shanghai Stock Exchange Listing Rule(s)"	Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended from time to time
"Shareholder(s)"	holder(s) of Share(s)
"Shares"	the shares of the Company
"Sinopharm"	Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), a joint stock company established in the PRC with limited liability, the H shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 01099)
"Sinopharm Distribution Framework Agreement"	the distribution framework agreement dated 24 April 2020 entered into between the Company and Sinopharm relating to the sales of the Self-owned Products by the Group to Sinopharm Group, as renewed for a further term of three years from 1 January 2023 to 31 December 2025
"Sinopharm Distribution Framework Agreement (2025 Renewal)"	the distribution framework agreement dated 3 December 2025 entered into between the Company and Sinopharm relating to the sales of the Group Products by the Group to Sinopharm Group
"Sinopharm Group"	Sinopharm and its subsidiaries
"Sinopharm Industrial Investment"	Sinopharm Industrial Investment Co. Ltd.* (國藥產業投資有限公司), a company established in the PRC on 5 June 2008 and the controlling shareholder of Sinopharm
"subsidiary(ies)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company
"Unlisted Share(s)"	ordinary share(s) with nominal value of RMB1.00 each in the issued share capital of the Company which are subscribed for and credited as paid up in RMB

* *for identification purpose only*

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)

Chairman and Non-executive Director:
Mr. Wenjie ZHANG

Executive Director:
Dr. Jun ZHU *(Chief Executive Officer)*

Non-executive Directors:
Mr. Qiyu CHEN
Mr. Yuqing CHEN
Ms. Xiaohui GUAN
Dr. Yi LIU
Dr. Xingli WANG

Independent Non-executive Directors:
Mr. Tak Young SO
Dr. Lik Yuen CHAN
Dr. Ruilin SONG
Mr. Yihao ZHANG

Head office and Principal Place of Business in the PRC:
11th Floor, B8 Building
No. 188 Yizhou Road
Xuhui District, Shanghai
PRC

Registered Office in the PRC:
Room 901, 9/F, Building 1
No. 367 Shengrong Road
China (Shanghai) Pilot Free
Trade Zone
PRC

Principal Place of Business in Hong Kong:
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

3 December 2025

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE SINOPHARM DISTRIBUTION COLLABORATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

References are made to the announcements of the Company dated 24 April 2020 and 17 November 2022 and the circulars of the Company dated 28 May 2020 and 1 December 2022 in relation to, among others, the continuing connected transactions under the Sinopharm Distribution Framework Agreement.

The purpose of this circular is to provide you with, among other things, (i) information on the Sinopharm Distribution Framework Agreement (2025 Renewal) and the connected transactions thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM and other information as required under the Hong Kong Listing Rules.

2. BACKGROUND

The Company and Sinopharm entered into the Sinopharm Distribution Framework Agreement on 24 April 2020, pursuant to which the Company has agreed that the Sinopharm Group will be one of the distributors of certain of the Group's products. The transactions contemplated under the Sinopharm Distribution Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The initial term of the Sinopharm Distribution Framework Agreement expired on 31 December 2022, and the Sinopharm Distribution Framework Agreement was automatically renewed for a for a further term of three years from 1 January 2023 to 31 December 2025.

As the Sinopharm Distribution Framework Agreement (as renewed) will expire on 31 December 2025 and the Company and Sinopharm intend to continue to enter into the transactions contemplated under the Sinopharm Distribution Framework Agreement after 31 December 2025, the parties have agreed to enter into the Sinopharm Distribution Framework Agreement (2025 Renewal).

3. SINOPHARM DISTRIBUTION FRAMEWORK AGREEMENT (2025 RENEWAL)

Subject Matter

Pursuant to the Sinopharm Distribution Framework Agreement (2025 Renewal), the Company agreed to sell the Group Products to the Sinopharm Group from time to time. The Sinopharm Distribution Framework Agreement (2025 Renewal) further provides that all transactions in relation to the sales of the Group Products by the Group to Sinopharm Group must be (i) in the ordinary and usual course of business of the Group, (ii) on an arm's length basis, (iii) on normal commercial terms, and (iv) in compliance with, amongst other things, the Hong Kong Listing Rules and applicable laws.

The Sinopharm Distribution Framework Agreement (2025 Renewal) will become effective at the later of (i) the date of obtaining the approval by the Independent Shareholders and the approval by the independent shareholders of Fosun Pharma in respect of the transactions between Fosun Pharma Group and Sinopharm Group (including the annual caps thereunder), or (ii) 1 January 2026, and will expire on 31 December 2028. The terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) can be automatically renewed for a successive period of three years thereafter, subject to compliance with the Hong Kong Listing Rules.

Business Model and Payment Terms

The Sinopharm Group will become one of the distributors for the Group Products. Under such distributorship arrangements, the Sinopharm Group will on-sell the Group Products to the end customers such as hospitals, and will procure the Group Products from the Group from time to time. The Group will recognise revenue from such transactions upon delivery of the Group Products to the Sinopharm Group. Accordingly, the Company considers that the Sinopharm Group and the Group will have a buyer-and-seller relationship.

Considering the size of the distribution network of the Sinopharm Group and discussions with Sinopharm, the invoices are intended to be settled by telegraphic transfer with a credit term in the range of 45 to 60 days, subject to the terms set out in the individual agreements entered into between the Group and the Sinopharm Group from time to time. As the credit terms of 45 to 60 days are consistent with the credit terms granted by the Group to other independent third party distributors, and are in line with the average credit terms ranging typically from 30 days to 90 days as disclosed in the annual reports and interim reports in other biopharmaceutical companies based in the PRC which are listed on the Stock Exchange, the Directors consider that such payment terms and range of credit terms are in line with the industry norm in the biopharmaceutical industry in the PRC as a whole.

Basis of Consideration

The pricing policy of Group Products sold by the Group to Sinopharm Group is the same as the pricing policy of Group Products to independent third parties. The selling prices of the Group Products (including potential future new licensed-in products) will be determined between the parties on an arm's length market basis with reference to (i) the prices of products with the same generic name or therapeutic area as recorded in the national medical insurance directories and regulatory requirements updated from time to time, including the "National Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance Drug Catalogue (2024)" issued by the Ministry of Human Resources and Social Security of the PRC and the "Consensus on Rules for Online Drug Listing on Provincial Pharmaceutical Procurement Platforms"; and (ii) market research analysis conducted by internal departments, including analysis on market demand, expected market shares, etc.. The Group will ensure that the selling prices of the Group Products (including potential in-licensed new products in the future) offered to distributors comply with the relevant regulatory requirement and guidelines. It is expected that the "National Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance Drug Catalogue (2024)" and related regulations will be updated to integrate new drugs from time to time.

The Group adopts a standardized contract template for distribution agreements with both Sinopharm Group and other independent third party distributors. The contractual terms and selling prices offered by the Group to the Sinopharm Group and independent third parties will both be determined according to the aforementioned basis. The Company will ensure that the selling prices offered to Sinopharm Group will be no more favourable than the selling prices offered by the Group to the other independent third parties under the same conditions by

reaching out to the Sinopharm Group and no less than two other independent third party distributors for fee quotations prior to the determination of the prices. In the exceptional case where Sinopharm Group is the sole distributor in a particular province, the Distribution Management Department will initiate the internal approval process for the individual provincial distribution agreements under the Sinopharm Distribution Framework Agreement (2025 Renewal) through the Group's internal procedure system. The Distribution Management Department will provide the relevant pricing terms of other independent distributors to confirm that the selling prices offered to the Sinopharm Group in such province fall within the pricing range offered to other independent third-party distributors in other provinces under comparable conditions. The Board Secretary Office will review and confirm that such pricing term comparisons are sufficiently provided.

Historical Amounts and Proposed Annual Caps

The historical amounts received by the Group from Sinopharm Group for the sales of the Group Products pursuant to the Sinopharm Distribution Framework Agreement for each of the years ended 31 December 2023 and 2024 and for the nine months ended 30 September 2025 and the respective utilisation rate is set out below:

	For the year ended 31 December 2023 *(Audited)*	**For the year ended 31 December 2024** *(Audited)*	**For the nine months ended 30 September 2025** *(Unaudited)*
Annual caps *(RMB'000)*	2,833,000	4,491,000	4,691,000 (for the year ending 31 December 2025)
Actual transaction amounts *(RMB'000)*	1,916,811	2,040,813	1,692,859
Utilisation rate	67.7%*(Note 1)*	45.4%*(Note 2)*	48.1%*(Notes 3 & 4)*

Notes:

1. As the actual proportion of the Self-owned Products sold by the Sinopharm Group at the operational level for the year ended 31 December 2023 was lower than expected than initially estimated, as the Company diversified its distribution channels across different provinces based on local operation conditions and needs, as well as strengthened partnerships with other third-party distributors as a part of its effort to reduce material reliance on a single distributor and mitigating concentration risks, approximately 67.7% of the relevant annual cap for the year ended 31 December 2023 was utilized.

2. The utilization rate of the historical annual cap for the year ended 31 December 2024 was primarily due to (i) the actual proportion of the Self-owned Products sold by the Sinopharm Group during the year at the operational level being lower than initially estimated for the reasons mentioned above; and (ii) adjustments in the timelines for obtaining marketing approvals for new indications of certain Self-Owned Products in Mainland China.

3. The utilization rate of the historical annual cap for the nine months ended 30 September 2025 were primarily due to (i) the actual sales proportion distributed through Sinopharm Group during the year at the operational level being lower than initially estimated for the reasons mentioned above; and (ii) adjustments to the timing of obtaining marketing approvals of certain products of the Group in Mainland China.

4. The utilization rate for the nine months ended 30 September 2025 is calculated by taking the actual transaction amounts the Self-Owned Product for the nine months ended 30 September 2025 and dividing it by the proportionate nine-month portion of the annual cap for the year ending 31 December 2025 (i.e. approximately RMB3,518,250 thousand) for illustration purposes.

The maximum annual transaction amount to be received by the Group from Sinopharm Group for the sales of the Group Products pursuant to the Sinopharm Distribution Framework Agreement (2025 Renewal) for the years ending 31 December 2026, 2027 and 2028 will not exceed RMB3,870 million, RMB3,901 million and RMB4,453 million, respectively.

The Proposed Annual Caps are determined with reference to, among other things, (i) the expected market demand for the Group Products; (ii) the sales volume of relevant Group Products to be distributed by Sinopharm taking into consideration its extensive network; (iii) potential competition landscape of the relevant Group Products; (iv) regulatory requirements; and (v) the affordability and accessibility of the Group Products. The Proposed Annual Caps are then arrived at by adopting the estimated sales amount of the Group Products to be recorded by the Group for the years ending 31 December 2026, 2027 and 2028 and multiplied by the respective estimated sales proportion to be distributed through Sinopharm Group in the respective years.

In particular, the Company has considered the following factors in determining the Proposed Annual Caps for each of the three years ending 31 December 2028:

(a) In respect of the Proposed Annual Cap for the year ending 31 December 2026, the Company has considered (i) the estimated sales proportion of the Group Products to be distributed through Sinopharm Group for the year ending 31 December 2026; (ii) the estimated increase in the sales volume for the Group Products in 2026, taking into account, among others, the stable demand for the marketed Group Products which are self-developed by the Company, and (iii) it is expected that certain Group Products, such as HLX11 (pertuzumab) and other potential products to be licensed-in by the Group will be launched for sale in Mainland China in 2026.

(b) In respect of the Proposed Annual Cap for the year ending 31 December 2027, the Company estimates that there will be a year-on-year growth of approximately 0.8%, which is primarily attributable to, among others, (i) the estimated sales proportion to be distributed through Sinopharm Group for the year ending 31 December 2027, (ii) the expected commercialisation of new indications of HANSIZHUANG in Mainland China, and (iii) the expected growth in sales volume of HLX11 (pertuzumab), FUTUONING (fovinaciclib) and other products.

(c) In respect of the Proposed Annual Cap for the year ending 31 December 2028, the Company projects that the sales amount of the Group Products to be distributed through Sinopharm Group will have a year-on-year growth of approximately 14.2%, which is primarily attributable to, among others, (i) the estimated sales proportion to be distributed through Sinopharm Group for the year ending 31 December 2028, and (ii) the continuous promotion of research and development of innovative products by the Group and more new innovative products are expected to be launched for sale in 2028.

For more details regarding the basis for the Proposed Annual Caps, please refer to the Letter from Rainbow Capital in this circular.

In view of the above, the Board considers that the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Reasons for, and benefits of, the Sinopharm Distribution Framework Agreement (2025 Renewal)

Sinopharm is specialised in the distribution of, among other things, pharmaceutical and healthcare products and the operation of retail pharmacies. The Sinopharm Distribution Framework Agreement (2025 Renewal) will enable the Group to continue to leverage on the distribution network possessed by Sinopharm, which would provide a platform for the Group Products to reach a wider range of potential customers and thereby creating commercial benefits and enhancing the brand awareness of the Group and its products in the future. Accordingly, the Company considers the Sinopharm Distribution Framework Agreement (2025 Renewal) would be in the best interest of the Company and its Shareholders as a whole.

Although the Board is aware of the notable size of the Proposed Annual Cap under the Sinopharm Distribution Framework Agreement (2025 Renewal), representing a maximum of 77.79% of the revenue of the Company for the year ended 31 December 2024, it is of the view that the transactions contemplated thereunder will not give rise to a material reliance of the Company on Fosun Pharma and/or the Sinopharm Group and/or their respective associates for the following reasons:

(a) Sinopharm Group is a reputable top-rank distributor and retailer of pharmaceuticals, medical devices and healthcare products. Its pharmaceutical distribution business has continuously consolidated leading position, with its terminal network covering over 700,000 customers across provinces, autonomous regions and municipalities. Meanwhile, the Company is a leading biopharmaceutical company with a vision to offer high-quality, affordable and innovative drugs for patients worldwide. The business relationship between the Group and Sinopharm Group is mutually beneficial and complementary. The Group and Sinopharm Group had entered into the Sinopharm Distribution Framework Agreement since April 2020 and have developed a long-standing business relationship. Accordingly, the Group does not expect there to be any material change to its relationship with the Sinopharm Group;

(b) the Proposed Annual Caps for three year ending 31 December 2028 are align with the expectation that there would be a proportionate increase in the total revenue of the Company for those three years. The sales revenue contributions to the Group from both Sinopharm Group and other third parties will remain substantial as well while the Company will persist in collaborating with distributors who are most suited for the Group's business development needs; and

(c) the Proposed Annual Caps serve as the maximum limit of potential transaction amounts to be conducted between the Group and the Sinopharm Group under the Sinopharm Distribution Framework Agreement (2025 Renewal) and the selling obligations of the Group thereunder are non-exclusive. The Group is therefore not restricted from entering into similar distribution agreements with independent third parties and the Sinopharm Distribution Framework Agreement (2025 Renewal) merely provides the Group with an additional option for a sales channel. Accordingly, any change to the business relationship with Sinopharm Group will not have a material adverse impact on the Company's business.

Internal control mechanism

The Group has formulated internal control measures and procedures in relation to conducting connected transactions, which require, among other things, that all connected transactions must be carried out on normal commercial terms or better to the Group and in order to ensure the pricing mechanism as set out in the "Basis of Consideration" above and the terms of the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) are fair and reasonable and no less favourable to the Company than the terms available from independent third parties, and in the interests of the Company and its Shareholders as a whole. A control mechanism to segregate duties to notify and review these continuing connected transactions has been set up within the Group, the details of which are set out as follows:

(a) The Distribution Management Department of the Group supervises and monitors the individual agreements entered into between the Group and the Sinopharm Group monthly to ensure they were entered into in accordance with the pricing policy under the Sinopharm Distribution Framework Agreement (2025 Renewal).

(b) If any revision or adjustment on the terms (including without limitation, adjustments in distribution price due to relevant regulatory requirements, the addition of new products for distribution or inclusion of new regions for distribution) of the individual agreement under the Sinopharm Distribution Framework Agreement (2025 Renewal) is necessary, provided such revision or adjustment is in compliance with the Sinopharm Distribution Framework Agreement (2025 Renewal), an approval application will be made by the Distribution Management Department through the Group's internal procedure system for distribution agreements and approved by, among others, the Board Secretary Office. The Board Secretary Office will review and confirm that the proposed revisions to the terms align with the adjusted terms offered to independent third parties for similar products and locations prior to granting such approval.

(c) The relevant internal audit and control department monitors and supervises the continuing connected transactions on a monthly basis, including verifying the unit prices of Group Products in invoices provided by the Finance Department are consistent with the prices under the individual agreements under the Sinopharm Distribution Framework Agreement (2025 Renewal), and to ensure that such transactions are entered into (i) in accordance with the pricing policy under the Sinopharm Distribution Framework Agreement (2025 Renewal); (ii) in the ordinary and usual course of business of the Group; (iii) on normal commercial terms or better; and (iv) according to the Sinopharm Distribution Framework Agreement (2025 Renewal) on terms that are fair and reasonable and in the interests of the Company and Shareholders as a whole.

(d) The Finance Department reports actual transaction amounts to the Distribution Management Department and Board Secretary Office on a monthly basis. If the actual transaction amounts under the Sinopharm Distribution Framework Agreement (2025 Renewal) are expected to exceed the Proposed Annual Caps (i.e. when 75% of the relevant annual caps have been utilised), the Distribution Management Department will liaise with the Finance Department and Board Secretary Office to initiate an approval application process in order to comply with all applicable requirements under the Group's internal control policy as well as under the Hong Kong Listing Rules.

Further, the Company will comply with all relevant requirements under the Hong Kong Listing Rules which include the annual review and/or confirmation by the Independent Non-executive Directors and auditors of the Company on the actual execution of the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal).

4. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this circular, Fosun Pharma (a controlling shareholder of the Company) is directly holding 49% of the interests in Sinopharm Industrial Investment and Sinopharm is a subsidiary of Sinopharm Industrial Investment. Therefore, Sinopharm is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the Sinopharm Distribution Framework Agreement (2025 Renewal) constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps for the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) for each of the three years ending 31 December 2026, 2027 and 2028 exceeds 5%, the continuing connected transactions under the Sinopharm Distribution Framework Agreement (2025 Renewal) are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

5. INFORMATION ON THE COMPANY AND SINOPHARM

The Company is a leading biopharmaceutical company in the PRC providing innovative and affordable medicines for all patients. The H Shares of the Company have been listed on the Main Board of the Stock Exchange since September 2019.

Sinopharm was established in the PRC in January 2003 and the H shares of Sinopharm have been listed on the Main Board of the Stock Exchange (stock code: 01099) since September 2009. Sinopharm Group is principally engaged in the distribution of pharmaceutical products to clients including hospitals, other distributors, retail pharmacy stores and clinics, the distribution of medical devices to clients, operation of chain pharmacy stores, the distribution of laboratory supplies, manufacturing and distribution of chemical reagents, and the production and sale of pharmaceutical products.

6. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the Independent Non-executive Directors has been formed to advise the Independent Shareholders as to whether the Sinopharm Distribution Framework Agreement (2025 Renewal) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole, and as to how to vote on the proposed resolution to approve the Sinopharm Distribution Framework Agreement (2025 Renewal) and the transactions contemplated thereunder at the EGM.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

7. EGM AND PROXY ARRANGEMENT

The Sinopharm Distribution Framework Agreement (2025 Renewal) will be considered and, if thought fit, approved by the Independent Shareholders, at the EGM by poll. As far as the Directors are aware, having made all reasonable enquiries, save for Fosun New Medicine, Fosun Pharmaceutical Industrial and Fosun Industrial, which are subsidiaries of Fosun Pharma and which are interested in an aggregate of approximately 63.43% of the total issued Shares as at the Latest Practicable Date, no other Shareholders are required to abstain from voting on the resolution to be proposed regarding the Sinopharm Distribution Framework Agreement (2025 Renewal) at the EGM.

A notice of EGM is set out on pages 36 to 37 of this circular (the "**EGM Notice**"). The EGM will be convened and held at Conference Room, 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC at 9:00 a.m. on Wednesday, 31 December 2025, for the Independent Shareholders to consider and, if thought fit, to approve the resolution contained in the EGM Notice. A form of proxy for the EGM (the "**Form of Proxy**") is enclosed with this circular.

Shareholders who intend to appoint a proxy to attend the EGM and to vote on the resolution set out in the EGM Notice are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM (i.e. 9:00 a.m. on Tuesday, 30 December 2025) or any adjournment thereof (as the case may be). Completion and return of the Form of Proxy shall not preclude a Shareholder from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025 (both dates inclusive), during which period no transfer of Shares of the Company will be effected. Shareholders whose names appear on the registers of members of the Company on Wednesday, 31 December 2025 shall be entitled to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all transfer documents accompanies by the relevant share certificates must be lodged with the Company's Board secretary office (for holders of Unlisted Shares), at 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC or the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (for holders of H Shares), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Tuesday, 23 December 2025.

8. OTHERS

Each of Mr. Wenjie Zhang, Mr. Qiyu Chen, Mr. Yuqing Chen, Ms. Xiaohui Guan, Dr. Liu Yi and Dr. Xingli Wang holds various positions with Fosun International and/or its subsidiaries, and each of them has abstained from voting on the Board resolution approving the Sinopharm Distribution Framework Agreement (2025 Renewal) 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 Sinopharm Distribution Framework Agreement (2025 Renewal) and no other Director has abstained from voting on the relevant Board resolution approving the Sinopharm Distribution Framework Agreement (2025 Renewal) and the transactions contemplated thereunder.

As Sinopharm is a related party of Fosun Pharma pursuant to the Shanghai Stock Exchange Listing Rules, the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) constitute related party transactions of Fosun Pharma. Accordingly, the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps are subject to the approval of the board of directors and shareholders of Fosun Pharma in accordance with its articles of association and applicable laws and regulations of the PRC.

9. RECOMMENDATIONS

The Directors (excluding the Independent Non-executive Directors, whose views are set out in the Letter from the Independent Board Committee of this circular) are of the view that the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps for each of the three years ending 31 December 2028 are fair and reasonable, the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) 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. Accordingly, such Directors recommend that you vote in favour of the resolution to be proposed at the EGM to approve the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps.

The Independent Board Committee, having taken into account the recommendations from Rainbow Capital, the Independent Financial Adviser, considers that the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps are fair and reasonable, the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) 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. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps.

10. GENERAL

Your attention is drawn to the letter from the Independent Board Committee set out on page 16 of this circular and the letter from Rainbow Capital containing its recommendations to the Independent Board Committee and Independent Shareholders in connection with the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps and the principal factors and reasons considered by them in arriving such recommendations set out on pages 17 to 31 of this circular.

Yours faithfully,
On behalf of the Board
Shanghai Henlius Biotech, Inc.
Wenjie Zhang
Chairman

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)

3 December 2025

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE SINOPHARM DISTRIBUTION COLLABORATION

We have been appointed as the Independent Board Committee to consider the Sinopharm Distribution Framework Agreement (2025 Renewal), and to advise you on whether the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board set out on pages 5 to 15 contained in the circular to the Shareholders of the Company dated 3 December 2025 (the "**Circular**"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Rainbow Capital has been appointed as the Independent Financial Adviser to give recommendations to the Independent Board Committee and the Independent Shareholders in respect of the above matters. We also wish to draw your attention to the letter from Rainbow Capital set out on pages 17 to 31 of the Circular.

Having considered the information set out in the letter from the Board, the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) and the opinion of the Independent Financial Adviser in relation thereto, we are of the opinion that the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps are fair and reasonable, the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) 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.

Accordingly, we therefore recommend that you vote in favour of the resolution to be proposed at the EGM to approve the Sinopharm Distribution Framework Agreement (2025 Renewal) and the Proposed Annual Caps.

Yours faithfully,

Mr. Tak Young SO	**Dr. Lik Yuen CHAN**	**Dr. Ruilin SONG**	**Mr. Yihao ZHANG**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

Rainbow Capital (HK) Limited

3 December 2025

To the Independent Board Committee and the Independent Shareholders
Shanghai Henlius Biotech, Inc.
11F, Building B8
188 Yizhou Road
Xuhui District
Shanghai, PRC

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE SINOPHARM DISTRIBUTION COLLABORATION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the sales of the Group Products for the years ending 31 December 2026, 2027 and 2028 under the Sinopharm Distribution Framework Agreement (2025 Renewal), pursuant to the expiry under the Sinopharm Distribution Framework Agreement after 31 December 2025 (including the proposed annual caps thereunder (the "**Proposed Annual Caps**"), for which the Independent Shareholders' approval is being sought (the "**Proposed Continuing Connected Transactions**"). Details of the Proposed Continuing Connected Transactions are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 3 December 2025 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, Fosun Pharma (a controlling shareholder of the Company) is directly holding 49% of the interests in Sinopharm Industrial Investment and Sinopharm is a subsidiary of Sinopharm Industrial Investment. Therefore, Sinopharm is a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps for each of the three years ending 31 December 2026, 2027 and 2028 exceeds 5%, the Proposed Continuing Connected Transactions are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee, comprising all the Independent Non-executive Directors, namely Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Ruilin Song and Mr. Yihao Zhang, has been formed to advise the Independent Shareholders on whether the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) (including the Proposed Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We, Rainbow Capital, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, the Sinopharm Group or any other party to the Sinopharm Distribution Framework Agreement (2025 Renewal), or their respective substantial shareholder(s) or connected person(s), as defined under the Hong Kong Listing Rules that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to (i) the independent board committee in relation to the proposed privatisation of the Company by Fosun New Medicine by way of merger by absorption of the Company, details of which are set out in the circular of the Company dated 23 December 2024; and (ii) the independent board committee and the independent shareholders in relation to continuing connected transactions of collaboration agreements for the three years ending 31 December 2027, details of which are set out in the circular of the Company dated 5 December 2024. Other than disclosed above, there was no engagement between the Group and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group, the Sinopharm Group or any other party to the Sinopharm Distribution Framework Agreement (2025 Renewal), or their respective substantial shareholder(s) or connected person(s), as defined under the Hong Kong Listing Rules. Accordingly, we are qualified to give independent advice on the Sinopharm Distribution Framework Agreement (2025 Renewal) and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted

from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation on the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) (including the Proposed Annual Caps), we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for the Proposed Continuing Connected Transactions

(a) The Group

The Company is principally engaged in (i) research and development, production and sale of monoclonal antibody (mAb) drugs and the provision of related technical services (except for the development and application of human stem cells, genetic diagnosis and therapy technology) and (ii) the transfer of its own technology and provision of the related technology consultation services.

As disclosed in the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"), seven products (27 indications) of the Group have been successfully approved for marketing in Mainland China, including five products out of the Group Products, namely HANQUYOU (trastuzumab, HLX02), HANBEITAI (bevacizumab injection, HLX04), HANSIZHUANG (serplulimab injection, HLX10), HANNAIJIA (neratinib) and FUTUONING (fovinaciclib), which are authorised by the Group to be distributed by Sinopharm for sale under the Sinopharm Distribution Framework Agreement. In August 2024, the Company licensed in HANNAIJIA, with a view to achieving sequential treatment with HANQUYOU, to further reduce the 5-year and 10-year postoperative recurrence risks in patients with HER2-positive early breast cancer. As advised by the management of the Group, HANNAIJIA has completed the tendering process on the procurement platform and has been included in the medical insurance procurement platform in all provinces in Mainland China.

In addition to the above-mentioned products, as disclosed in the 2025 Interim Report, the Group has a total of approximately 50 molecules in its pipeline and over 10 research and development platforms, covering a wealth of drug forms, such as monoclonal antibody, multi-specific antibody, antibody-drug conjugates (ADC), fusion proteins, small molecule drugs and other forms of drugs. Out of which, several products have demonstrated major development over the past years, including, among others, (i) in December 2024, the new drug application (NDA) for HLX11 (pertuzumab) was accepted by the NMPA; (ii) the international multi-centre phase 3 clinical study of HLX22 (recombinant humanised anti-HER2 monoclonal antibody injection) in combination with trastuzumab and chemotherapy compared to trastuzumab and chemotherapy with or without pembrolizumab for the first-line treatment of HER2-positive, locally advanced or metastatic gastroesophageal junction cancer and gastric cancer is currently being conducted simultaneously in Mainland China, the United States, Japan and other countries/regions; and (iii) the products licensed in by the Group in recent years. All these products are expected to commercialise in the coming years and are therefore projected to be involved in the Sinopharm Distribution Framework Agreement (2025 Renewal).

As disclosed in the 2025 Interim Report, during the year of 2025, the Group's "Go Global" initiatives have yielded fruitful results. In February 2025, HANSIZHUANG in combination with chemotherapy was approved for the first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) in the European Union ("**EU**"), becoming the Group's second product approved in the EU for marketing, which has proven the recognition of international mainstream markets on the Group's innovative products. In August and September 2025, two products of HLX14 (denosumab) obtained approval in each of the United States and the EU (trade names in the United States and Europe: BILDYOS® and BILPREVDA®), whereas the approved indications cover all indications for which the original products have been approved in the local market. In addition, during the year of 2025, the Group also entered into several agreements with leading international partners and continued to advance the commercial roll-out of existing overseas collaborations for accelerating its products to commercialise in international markets.

(b) Sinopharm

Sinopharm is specialised in the distribution of, among other things, pharmaceutical and healthcare products and the operation of retail pharmacies. Leveraging on its nationwide distribution and delivery network, Sinopharm provides comprehensive distribution, logistics and other value-added services to domestic and foreign manufacturers and suppliers of pharmaceutical products, medical devices and supplies and other healthcare products, and also to downstream customers including hospitals, other distributors, retail drug stores and primary health services institutions.

(c) Background and reason

On 24 April 2020, in order to govern the cooperation of distribution of the Self-owned Products between the Group and the Sinopharm Group until 31 December 2022, the Sinopharm Distribution Framework Agreement was entered into between the Group and Sinopharm.

Pursuant to the Sinopharm Distribution Framework Agreement, the Company has agreed that the Sinopharm Group will be one of the distributors of certain of the Group's products. Upon the expiry of the initial term on 31 December 2022, the Sinopharm Distribution Framework Agreement was renewed for a further term of three years from 1 January 2023 to 31 December 2025. Details of such renewal were disclosed in the circular of the Company dated 1 December 2022 and an extraordinary general meeting was convened to approve the renewal on 27 December 2022.

The existing term of the Sinopharm Distribution Framework Agreement will expire on 31 December 2025. In view of the ongoing development of the Group's Products, including the clinical-stage products and their estimated commercialisation for the coming years, the Directors believe that the entering of the Sinopharm Distribution Framework Agreement (2025 Renewal) will continue to facilitate the distribution of the Group's Products by the Sinopharm Group in the ordinary and usual course of business of the Group. Accordingly, on 3 December 2025, the Group and the Sinopharm Group entered into the Sinopharm Distribution Framework Agreement (2025 Renewal) to govern the cooperation of distribution of the Group Products, which will become effective at the later of (i) the date of obtaining the approval by the Independent Shareholders and the approval by the independent shareholders of Fosun Pharma in respect of the transactions between the Fosun Pharma Group and the Sinopharm Group (including the annual caps thereunder), or (ii) 1 January 2026, and will expire on 31 December 2028. The term of the Sinopharm Distribution Framework Agreement (2025 Renewal) can be automatically renewed for a successive period of three years thereafter, subject to compliance with the Hong Kong Listing Rules.

Having considered (i) the increasing estimated sales for the marketed Group Products self-developed by the Company which is currently approved for marketing; (ii) the other products that the Group expects to license-in in the coming years, as evidenced by the increasing number of recent licensing-in collaborations with partners; and (iii) the extensive distribution network possessed by Sinopharm which the Group could leverage on broadening its potential customer bases and thereby creating commercial benefits and enhancing the brand awareness of the Group and its products in the future, we concur with the Directors' view that through distributing the Group Products through Sinopharm, the Group is able to benefit and leverage from the established and extensive sales and distribution network of Sinopharm which enable broad market penetration in Mainland China.

2. Principal terms of the Sinopharm Distribution Framework Agreement (2025 Renewal)

(a) Subject matter

Pursuant to the Sinopharm Distribution Framework Agreement (2025 Renewal), the Company agreed to sell the Group Products to the Sinopharm Group from time to time. The Sinopharm Distribution Framework Agreement (2025 Renewal) further provides that all transactions in relation to the sales of the Group Products by the Group to Sinopharm Group

must be (i) in the ordinary and usual course of business of the Group, (ii) on an arm's length basis, (iii) on normal commercial terms, and (iv) in compliance with, amongst other things, the Hong Kong Listing Rules and applicable laws.

The Sinopharm Distribution Framework Agreement (2025 Renewal) will become effective at the later of (i) the date of obtaining the approval by the Independent Shareholders and the approval by the independent shareholders of Fosun Pharma in respect of the transactions between Fosun Pharma Group and Sinopharm Group (including the annual caps thereunder), or (ii) 1 January 2026, and will expire on 31 December 2028. The term of the Sinopharm Distribution Framework Agreement (2025 Renewal) can be automatically renewed for a successive period of three years thereafter, subject to compliance with the Hong Kong Listing Rules.

(b) Pricing basis

The selling prices of the Group Products will be determined between the parties on an arm's length market basis with reference to (i) the prices of products with the same generic name or therapeutic area as recorded in the national medical insurance directories and regulatory requirements updated from time to time, including the "National Basic Medical Insurance, Industrial and Commercial Insurance and Maternity Insurance Drug Catalogue (2024)" issued by the Ministry of Human Resources and Social Security of the PRC and the "Consensus on Rules for Online Drug Listing on Provincial Pharmaceutical Procurement Platforms"; and (ii) market research analysis conducted by internal departments. The selling prices offered by the Group to the Sinopharm Group will be no more favourable than the selling prices offered by the Group to independent third parties under the same conditions.

Payments are intended to be settled by telegraphic transfer with a credit term in the range of 45 to 60 days, which is subject to the terms as set out in the individual agreements to be entered into between the Group and the Sinopharm Group from time to time.

Regarding the pricing basis, we have reviewed the "National Basic Medical Insurance, Industrial and Commercial Insurance and Maternity Insurance Drug Catalogue (2024)" issued by the Ministry of Human Resources and Social Security of the PRC and the "Consensus on Rules for Online Drug Listing on Provincial Pharmaceutical Procurement Platforms", and noted that the price of drugs listed therein shall be set with reference to the payment standard of the corresponding national negotiation drugs (which comprise innovative drugs that the Group possesses) to be offered under the basic medical insurance plan in Mainland China.

(c) Comparisons on terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) with independent third parties

We have discussed with the management of the Group and reviewed sample contracts and sales invoices for the sales distribution of the Self-owned Products by Sinopharm and compared them with sample contracts and sales invoices for similar sales distribution by independent third parties. In selecting sample contracts and sales invoices for review, we have selected the top 10 transactions between the Group and Sinopharm Group for each of the year from 2023 to 2024 and for the six months ended 30 June 2025 based on its sales amounts, and compared their principal terms such as pricing terms for the distribution prices and payment terms against 36 transactions which were entered with independent third parties for sale of the same product in the same month and in the same provinces during the relevant periods. Taking into account (i) the similarity of products covered under the aforesaid samples; (ii) the sample contracts and sales invoices were effective under the period of the Sinopharm Distribution Framework Agreement; (iii) a total of 64 sample contracts and sales invoices were selected, obtained and reviewed; we are of the view that the aforesaid samples we have reviewed are sufficient, fair and representative.

Based on our review of sample contracts and the corresponding sales invoices and bank receipts, we noted that (a) the unit selling price set by the Group is no more favourable to the Sinopharm Group than that for the same product between the Group and independent third parties; (b) the payment terms for transactions between the Group and Sinopharm Group (i.e. the sales invoices are settled by means of telegraphic transfer with a credit term in the range of 45 to 60 days) is found to be consistent with similar transactions between the Group and independent third parties. Accordingly, we noted that the terms for transaction contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) are equal to or no more favourable to the Sinopharm Group than the terms for similar transactions between the Group and independent third parties.

3. Assessment of the Proposed Annual Caps

(a) Review of historical figures

Set out below are the historical transaction amounts received by the Group from Sinopharm Group for the sales of the Self-owned Products pursuant to the Sinopharm Distribution Framework Agreement for each of the years ended 31 December 2023 and 2024 and for the nine months ended 30 September 2025:

	For the year ended 31 December 2023 *(Audited)*	**For the year ended 31 December 2024** *(Audited)*	**For the nine months ended 30 September 2025** *(Unaudited)*
Annual caps *(RMB'000)*	2,833,000	4,491,000	4,691,000 (for the year ending 31 December 2025)
Actual amount incurred *(RMB'000)*	1,916,811	2,040,813	1,692,859
Utilisation rate	67.7%	45.4%	48.1%*Note 1*

Note 1: The utilisation rate for the nine months ended 30 September 2025 is calculated by dividing the actual transaction amounts for the nine months ended 30 September 2025 by the proportionate nine-month portion of the annual cap for the year ending 31 December 2025.

As shown in the table above, the annual caps for the two years ended 31 December 2024 were moderately utilised, which was primarily attributable to (i) the actual sales proportion distributed through Sinopharm Group for the years ended 31 December 2023 and 2024 being lower than estimated; and (ii) adjustments in the timelines for obtaining marketing approvals for new indications of certain Self-Owned Products and adjustments to the timing of obtaining marketing approvals of certain products of the Group in Mainland China.

For the nine months ended 30 September 2025, the utilisation rates of the annual cap amounted to approximately 48.1%, which is calculated by dividing the actual transaction amounts for the nine months ended 30 September 2025 by the proportionate nine-month portion of the annual cap for the year ending 31 December 2025 and was generally in line with the extent of utilisation as compared to the two years ended 31 December 2024.

(b) Assessment of the Proposed Annual Caps

Pursuant to the Sinopharm Distribution Framework Agreement (2025 Renewal), the proposed annual caps for the distribution of Group Products by Sinopharm Group for the years ending 31 December 2026, 2027 and 2028 are expected to not exceed the following:

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
Proposed annual caps *(RMB'000)*	3,870,000	3,901,000	4,453,000

In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the Company the basis and assumptions underlying the projections for the distribution of the Group Products to the Sinopharm Group. In determining the Proposed Annual Caps for the years ending 31 December 2026, 2027 and 2028, the Directors have made reference to, among other things, (i) the expected market demand for the Group Products; (ii) the sales volume of relevant Group Products to be distributed by Sinopharm taking into consideration its extensive network; (iii) potential competition landscape of the relevant Group Products; (iv) regulatory requirements; and (v) the affordability and accessibility of the Group Products. The Proposed Annual Caps are then arrived at by adopting the estimated sales amount of the Group Products to be recorded by the Group for the years ending 31 December 2026, 2027 and 2028 and multiplied by the respective estimated sales proportion to be distributed through Sinopharm Group in the respective years.

We have been provided with the projection of the estimated sales amount of the Group Products by Sinopharm Group which was prepared by the management of the Group for the purpose of determining the Proposed Annual Caps for the years ending 31 December 2026, 2027 and 2028 under the Sinopharm Distribution Framework Agreement (2025 Renewal). Based on our review and discussion with the management of the Group, such estimated sales amount was primarily determined after having taken into account the estimated changes in both the sales amounts of relevant Group Products expected to be sold by the Group for the years ending 31 December 2026, 2027 and 2028 and the estimated sales proportion to be distributed by Sinopharm Group in the respective years under the Sinopharm Distribution Framework Agreement (2025 Renewal).

Proposed Annual Caps for the two years ending 31 December 2026 and 2027

Estimated sales amount of HANQUYOU (HLX02)

Being the first product of the Group to adopt its in-house team to conduct commercialisation promotion, HANQUYOU has all along been the product of the Group which recorded the highest sales amount since 2021. As disclosed in the annual report of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**"), the Group achieved revenue of HANQUYOU of approximately RMB2,692.4 million in 2024, which remains relatively stable as compared to the related revenue of approximately RMB2,644.4 million in 2023. Based on our review of the 2025 Interim Report, the Group achieved revenue of HANQUYOU of approximately RMB1,407.4 million for the six months ended 30 June 2025, which approximates to half of the revenue of HANQUYOU in 2023 and 2024. Based on the aforesaid, we noted that HANQUYOU contributed to approximately half of the total revenue from product sales of the Group during the relevant year/period under review.

As advised by the management of the Group, with the continual effort of the Group to expand the sales of HANQUYOU over the past years since its commercialisation in 2020 and in view of the launch of the other products of the Group, the Group expects the sales of HANQUYOU will reach a stable stage for the coming years and may possibly fluctuate in subsequent years as a conservative estimate. Accordingly, in coming up with the estimated sales amount of HANQUYOU for the year ending 31 December 2026, the Company made reference to the historical sales amount of HANQUYOU for the six months ended 30 June 2025 and for the two years ended 31 December 2024 in projecting the proposed annual caps for the estimated sales amounts of HANQUYOU for the year ending 31 December 2026.

In estimating the estimated sales amount of HANQUYOU for the year ending 31 December 2027, in view of the expected ramp up of sales of HANSIZUANG which is estimated to lead to an increase in its estimated sales amount (please refer to the sub-section headed below for the basis of growth rate) as compared to that in 2026, the Company projected an approximate corresponding adjustment in percentage of estimated sales amount of HANQUYOU as compared to that in 2026 as conservative estimate.

Taking into account (i) the revenue of HANQUYOU, which amounted to approximately RMB1,407.4 million for the six month ended 30 June 2025, and is generally in line with the historical sales amount of HANQUYOU for the two years ended 31 December 2024; and (ii) the expected ramp up of sales of HANSIZHUANG after its commercialisation in 2022 in Mainland China, as well as the expected commercialisation of the other products of the Group (such as HLX11 (pertuzumab)) in the coming years, which will enhance the Group's revenue base and diversify its product portfolio, resulting in a possible adjustment in the revenue proportion of HANQUYOU out of the overall revenue from product sales of the Group for the year ending 31 December 2027, we consider the estimation of the proposed annual caps of HANQUYOU for the two years ending 31 December 2026 and 2027 to be acceptable.

Estimated sales amount of HANSIZHUANG (HLX10)

As the first self-developed and approved bio-innovative drug of the Group which is commercially available in the domestic market in Mainland China since 2022, we noted that the revenue of HANSIZHUANG began to take off since 2023. As disclosed in the annual report of the Company for the year ended 31 December 2023 and the 2024 Annual Report, the Group achieved revenue of HANSIZHUANG of approximately RMB1,119.8 million and approximately RMB1,308.9 million in 2023 and 2024, respectively. Based on our discussion with the management of the Group, we are given to understand that the stable increase in revenue was primarily attributable to (i) the fact that it is the world's first anti-PD-1 mAb for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC); and (ii) the increase in sales through the expected approval of the new drug applications for HANSIZHUANG across various indications globally in recent years.

Riding on the above, in coming up with the estimated sales amount of HANSIZHUANG for the two years ending 31 December 2026 and 2027, the Company also takes into account (i) the growth rate of the historical sales amount of HANSIZHUANG for the year ended 31 December 2024, which approximates to approximately 16.9%; (ii) the estimated commercialisation of new indications of HANSIZHUANG in Mainland China, which is expected to significantly increase the sales volume of HANSIZHUANG for the coming years following the first full year of commercialisation in 2023; and (iii) the increase in estimated growing market demand of HANSIZHUANG in coming years.

We were advised that the progress was further promoted in clinical trial for innovative products, including HANSIZHUANG and other products for a range of indications, such as gastric cancer (GC), breast cancer (BC), small cell lung cancer (SCLC) etc., for the six months ended 30 June 2025. In January 2025, the recruitment of all subjects was completed in an international multi-centre phase 3 clinical study comparing HANSIZHUANG or placebo in combination with chemotherapy and concurrent radiotherapy for the treatment of limited-stage small cell lung cancer (LS-SCLC) patients. As at the Latest Practicable Date, the phase 3 clinical study comparing HANSIZHUANG or placebo in combination with chemotherapy for neo-/adjuvant treatment for gastric cancer met the primary endpoint of event-free survival

(EFS) in a planned interim analysis, evaluated by the Independent Data Monitoring Committee, supporting an early new drug application submission. All these progress provided reference for the potential commercialisation of new indications of HANSIZHUANG in Mainland China for coming years.

According to Grand View Research, Inc., a market research and consulting company based in India and the United States which database features thousands of statistics and in-depth analysis on 46 industries in 25 major countries worldwide, the global non-small cell lung cancer therapeutics market size was estimated at approximately US$21.45 billion in 2024 and is projected to reach US$43.89 billion by 2030, growing at a cumulative annual growth rate of 12.71% from 2025 to 2030. In view of such estimated growing market demand of HANSIZHUANG, we believe that the increase in the estimated sales volume of HANSIZHUANG for coming years is justified.

Taking into account (i) the estimated commercialisation of new indications of HANSIZHUANG for coming years, as evidenced by its progress in clinical trials as aforesaid; (ii) the revenue portion of HANSIZHUANG amounted to approximately one-forth of the total revenue of the Group for the six months ended 30 June 2025; and (iii) the increase in estimated growing market demand of HANSIZHUANG according to the independent market research report; we consider the estimation of the proposed annual caps of HANSIZHUANG for the two years ending 31 December 2026 and 2027 to be acceptable.

Estimated sales amount of the other Group Products

Based on our review of the sales projection provided by the Company, in estimating the Proposed Annual Caps for the two years ending 31 December 2026 and 2027, we noted that the Company also took into account the estimated sales amount of the other Group Products, including HANBEITAI (HLX04), HANNAIJIA (neratinib), HLX11 (pertuzumab), FUTUONING (fovinaciclib) and other products, which constitutes the majority of the estimated sales amount of the remaining portion of the Proposed Annual Caps for the two years ending 31 December 2026 and 2027 after excluding HANQUYOU (HLX02) and HANSIZHUANG (HLX10). Out of these products, the Group expects HLX11 (pertuzumab) to commence commercialisation in 2026 and 2027.

Taking into account (i) the fact that in December 2024, the new drug application (NDA) for HLX11 (pertuzumab) was accepted by the NMPA, which we reasonably believe that the estimated commercialisation of HLX11 (pertuzumab) to commence in 2026 and 2027 to be justifiable; (ii) the expected ramp up of sales of HANNAIJIA since the licensing in arrangement in August 2024 and the achievement of sales revenue of approximately RMB96.8 million for the six months ended 30 June 2025; and (iii) the expected increase of licensing-in products to be commercialised for coming years, as evidenced by the continual increase in sales effort to diverse and expand the product range of the Group, we concur with the management of the Group in relation to the estimation of the proposed annual caps of the aforesaid products of the Group for the two years ending 31 December 2026 and 2027, in coming up with the Proposed Annual Caps in the respective years.

Estimated sales proportion to be distributed through Sinopharm Group

Having considered (i) the historical sales proportion of the Group's Self-owned Products to be sold by Sinopharm Group, which amounted to approximately half of the overall sales of the Group; and (ii) Sinopharm Group, being the leading pharmaceutical distributor and retailer in Mainland China with pivotal sales networks and resources in the industry; we consider the Company's estimated sales proportion to be distributed by Sinopharm Group to be reasonable.

Overall comment

Considering (i) the estimated stable sales revenue of HANQUYOU, based on our review on its historical sales revenue; (ii) the foreseeable increase in sales volume of HANSIZHUANG, based on our understanding on the sales effort of the Company and our independent research; (iii) the estimation of the proposed annual caps of HANQUYOU and HANSIZHUANG already accounted for the majority of the Proposed Annual Caps, based on our review of the sales projection provided by the Company; (iv) the expected commercialisation of certain of the Group Products in 2026 and other potential licensing in products of the Group, based on our understanding with the Company on the development and marketing plans of such products; and (v) the leading distribution and retail capabilities of Sinopharm Group in Mainland China; we consider the Proposed Annual Caps for the two years ending 31 December 2026 and 2027 are justified in view of the above factors.

Proposed Annual Caps for the year ending 31 December 2028

In deriving the Proposed Annual Caps for the year ending 31 December 2028, the Company estimates that there will be a year-on-year growth of approximately 14.2% in the estimated sales amounts.

The Company primarily attributed the increase in the Proposed Annual Cap for the year ending 31 December 2028 to the estimated increase in sales of HANSIZHUANG, the expected commercialisation of more innovative products and potential licensing in products to be launched for sale in 2028, while assuming the estimated sales in aggregate of the Group Products, HANQUYOU and HANBEITAI, as well as the estimated sales proportion to be distributed by Sinopharm Group, to remain generally stable.

We are further advised by the management of the Group that the other Group Products under the Sinopharm Distribution Framework Agreement (2025 Renewal) may include products which New Drug Application (NDA) has been accepted by the Center for Drug Evaluation of the National Medical Products Administration (NMPA), or currently in the process of clinical trials, by assuming they reach commercialisation stage in 2027 and 2028, respectively. Against this backdrop, the Company also took this factor into account in projecting the Proposed Annual Cap for the year ending 31 December 2028 to cater for the expected commercialisation plan of these innovative products in 2028. Coupled with the

expected increase in the licensing in arrangement of the other Group Product for coming years in order to align with the Group's overall strategic direction in recent years, we consider the estimation of the Proposed Annual Caps for the year ending 31 December 2028 to be acceptable.

Generally speaking, in our opinion, it is in the interests of the Group and the Shareholders to determine the Proposed Annual Caps in a way that can accommodate the potential growth of the Group's business. Provided that the Proposed Continuing Connected Transactions are subject to annual review by the Independent Non-executive Directors and auditors of the Company (as discussed below) as required under the Hong Kong Listing Rules, the Group would have desirable flexibility in conducting its businesses if the Proposed Annual Caps are tailored to future business growth. In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the management of the Group the factors taken into account as stated earlier in this section. We consider it reasonable for the Company to use the above factors in determining the Proposed Annual Caps.

4. Internal control procedures and corporate governance of the Group

In order to ensure the Company's conformity with the pricing policy of the Sinopharm Distribution Framework Agreement (2025 Renewal) and protect the interests of the Shareholders, the Company has adopted a series of internal control procedures and corporate governance measures. Such internal control procedures are conducted and supervised by the Company's relevant business departments, related internal audit and control department, the Independent Non-executive Directors and the external auditors of the Company:

i. The Distribution Management Department of the Group supervise the connected transactions of the Group with the Sinopharm Group monthly to ensure they are entered into in accordance with the pricing policy and other terms under the Sinopharm Distribution Framework Agreement (2025 Renewal);

ii. If any revision or adjustment on the terms (including without limitation, adjustments in distribution price due to relevant regulatory requirements, the addition of new products for distribution or inclusion of new regions for distribution) of the individual agreement under the Sinopharm Distribution Framework Agreement (2025 Renewal) is necessary, provided such revision or adjustment is in compliance with the Sinopharm Distribution Framework Agreement (2025 Renewal), an approval application process will be made by the Distribution Management Department through the Group's internal procedure system for distribution agreements and approved by, among others, the Board Secretary Office. The Board Secretary Office will review and confirm that the proposed revisions to the terms align with the adjusted terms offered to independent third parties for similar products and locations prior to granting such approval;

iii. The related internal audit and control department of the Company monitors and supervises the continuing connected transactions of the Company on a monthly basis, including verifying the unit prices of Group Products in invoices provided by the Finance Department are consistent with the prices under the individual agreements under Sinopharm Distribution Framework Agreement (2025 Renewal), and to ensure they are entered into: (a) in accordance with the pricing policy under the Sinopharm Distribution Framework Agreement (2025 Renewal); (b) in the ordinary and usual course of business of the Group; (c) on normal commercial terms or better; and (d) according to the Sinopharm Distribution Framework Agreement (2025 Renewal) on terms that are fair and reasonable and in the interests of the Company and Shareholders as a whole; and

iv. The Finance Department reports actual transaction amounts to the Distribution Management Department and Board office on a monthly basis. If the actual transaction amounts under the Sinopharm Distribution Framework Agreement (2025 Renewal) is expected to exceed the Proposed Annual Caps (i.e. when 75% of the relevant annual caps have been utilised), the Distribution Management Department will liaise with the Finance Department and Board Secretary Office to initiate an approval application process in order to comply with all applicable requirements under the Group's internal control policy as well as under the Hong Kong Listing Rules.

In assessing whether the above internal control measures are put in place and effectively implemented, we have obtained and reviewed internal system documentation regarding the approval of the 83, 84 and 66 transactions contemplated including the Sinopharm Distribution Framework Agreement entered between the Group and Sinopharm Group for each of the two years ended 31 December 2024 and for the six months ended 30 June 2025, and noted that the transactions contemplated thereunder were properly authorised and monitored. We have also obtained and reviewed 10 samples of the monthly transaction reports prepared by the finance department of the Group regarding the Sinopharm Distribution Framework Agreement and noted that the actual transaction amounts were properly recorded and monitored on a monthly basis to ensure that the proposed annual caps were not exceeded. In addition, as discussed in the section headed "2. Principal terms of the Sinopharm Distribution Framework Agreement (2025 Renewal)", we noted that the unit selling price set by the Group is no more favourable to the Sinopharm Group than that for the same product between the Group and independent third parties during January 2023 to June 2025. As such, we are of the view that the above internal control measure adopted by the Group for monitoring the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) have been effectively implemented.

Having considered the above, in particular (i) that the pricing policy under the Sinopharm Distribution Framework Agreement (2025 Renewal) has been adhered in accordance with the Group's internal control procedures; (ii) the ongoing monitoring of the transactions under the Sinopharm Distribution Framework Agreement (2025 Renewal); and (iii) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the transactions under the Sinopharm Distribution Framework Agreement (2025 Renewal) and the proposed annual caps thereunder, we concur with the Directors that appropriate and adequate internal control procedures are in place to ensure that the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal) will be appropriately monitored that assists to safeguard the interests of the Independent Shareholders.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Proposed Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the Sinopharm Distribution Framework Agreement (2025 Renewal) (including the Proposed Annual Caps) are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Proposed Continuing Connected Transactions (including the Proposed Annual Caps).

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular for which Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, none of the Directors/Supervisors and chief executives of the Company has short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). The interest or long positions of Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 of the Hong Kong Listing Rules were as follows:

Interest in shares of the Company

Name	Nature of interest and capacity	Class	Number of shares	Approximate percentage in relevant class of shares	Approximate percentage in total shares
Jun Zhu[(1)]	Interest in controlled entity	H Shares	50,000	0.03%	0.01%
	Beneficial owner	H Shares	750,000	0.46%	0.14%
	Beneficial owner	Share Option	750,000	0.46%	0.14%
Tak Young So	Beneficial owner	H Shares	5,000	0.00%	0.00%
Lik Yuen Chan	Beneficial owner	H Shares	5,000	0.00%	0.00%
Ruilin Song	Beneficial owner	H Shares	5,000	0.00%	0.00%
Yihao Zhang	Beneficial owner	H Shares	5,000	0.00%	0.00%

Interest in shares of the associated corporation of the Company

Name	Name of Associated Corporation	Number of shares	Class	Nature of interest and capacity	Approximate percentage in relevant class of shares
Wenjie Zhang	Fosun International	200,000	Share Option	Beneficial owner	0.00%
	Fosun Pharma	49,000	A Shares	Beneficial owner	0.00%
	Fosun Pharma	114,400	H Shares	Beneficial owner	0.02%
Qiyu Chen	Fosun International	19,730,400	Ordinary Shares	Beneficial owner	0.24%
	Fosun International	19,600,000	Share Option	Beneficial owner	0.24%
	Fosun Pharma	114,075	A Shares	Beneficial owner	0.01%
Yuqing Chen	Fosun Pharma	973,500	H Shares	Beneficial owner	0.18%
	Fosun Pharma	542,600	A Shares	Beneficial owner	0.03%
	Fosun International	140,000	Ordinary Shares	Beneficial owner	0.00%
	Fosun International	1,800,000	Share Option	Beneficial owner	0.02%
Xiaohui Guan	Fosun International	200,000	Ordinary Shares	Beneficial owner	0.00%
	Fosun International	1,400,000	Share Option	Beneficial owner	0.02%
	Fosun Pharma	561,943	A Shares	Beneficial owner	0.03%
	Fosun Pharma	711,500	H Shares	Beneficial owner	0.13%
Yi Liu	Fosun Pharma	342,344	A Shares	Beneficial owner	0.02%
	Fosun Pharma	782,800	H Shares	Beneficial owner	0.14%
	Sisram Medical Ltd* (復鋭醫療科技有限公司)	195,000	Ordinary Shares	Beneficial owner	0.04%
Xingli Wang	Fosun Pharma	245,200	A Shares	Beneficial owner	0.01%
	Fosun Pharma	572,100	H Shares	Beneficial owner	0.10%
Rongli Feng	Fosun Pharma	214,355	A Shares	Beneficial owner	0.01%
	Fosun Pharma	381,400	H Shares	Beneficial owner	0.07%
Deli Kong	Fosun Pharma	21,800	A Shares	Beneficial owner	0.00%
	Fosun Pharma	50,900	H Shares	Beneficial owner	0.01%

Note:

(1) As at the Latest Practicable Date, Dr. Jun Zhu wholly owned Dr. JZ Limited. Dr. Jun Zhu was deemed to be interested in the H shares which Dr. JZ Limited was interested in.

Save as disclosed in the foregoing, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company or their respective close associates had any interests or short/long positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

As at the Latest Practicable Date, so far as the Directors were aware:

(a) each of Mr. Wenjie Zhang, Mr. Qiyu Chen, Mr. Yuqing Chen, Ms. Xiaohui Guan, Dr. Liu Yi and Dr. Xingli Wang holds certain positions with Fosun International and/or its subsidiaries, each of which indirectly owned as to 63.43% of the total Shares as at the Latest Practicable Date and is deemed to be interested in such Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO; and

(b) save as disclosed above, as at the Latest Practicable Date, none of the Directors and Supervisors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

None of the Directors and Supervisors has an unexpired service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2024, the date to which the latest published audited financial statements of the Company were made up.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or Supervisors, and their respective close associates, is interested in any businesses apart from the Group's business which competes with or is likely to compete, either directly or indirectly, with the Group's business.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading prospects of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up.

7. QUALIFICATION OF EXPERT AND CONSENT

The following is the qualification of the professional adviser who has given opinion or advice, which is contained in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Rainbow Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or opinions and/or the references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, (i) Rainbow Capital did not have any interest, either direct or indirect, in any assets which had been, since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) Rainbow Capital did not have any shareholding interests in any member of the Group and it did not have any right, whether legally enforceable or not, to subscribe for or nominate persons to subscribe for securities of any members of the Group.

8. MISCELLANEOUS

This circular has been prepared in both English and Chinese. In the event of inconsistency, the English version of this circular shall prevail over the Chinese version.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.henlius.com) from the date of this circular up to and including the date of the EGM:

(a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 16 of this circular;

(b) the letter from Rainbow Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 17 to 31 of this circular;

(c) the written consent of the Independent Financial Adviser referred to in paragraph 7 of this Appendix;

(d) the Sinopharm Distribution Framework Agreement (2025 Renewal); and

(e) this circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Shanghai Henlius Biotech, Inc. (the "**Company**") will be held at Conference Room, 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC at 9:00 a.m. on Wednesday, 31 December 2025 for the purposes of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

1. To consider and, if thought fit, approve the Distribution Framework Agreement dated 3 December 2025 entered into between the Company and Sinopharm Group Co. Ltd.* (國藥控股股份有限公司) (the "**Sinopharm Distribution Framework Agreement (2025 Renewal)**") and the transactions contemplated thereunder and the relevant annual caps as set out in the circular of the Company dated 3 December 2025; and to authorise any Director to exercise all powers which they consider necessary and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the transactions contemplated under the Sinopharm Distribution Framework Agreement (2025 Renewal).

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

Hong Kong, 3 December 2025

As at the date of this notice, the board of directors of the Company comprises Mr. Wenjie Zhang as the chairman and non-executive director, Dr. Jun Zhu as the executive director, Mr. Qiyu Chen, Mr. Yuqing Chen, Ms. Xiaohui Guan, Dr. Yi Liu and Dr. Xingli Wang as the non-executive directors, and Mr. Tak Young So, Dr. Lik Yuen Chan, Dr. Ruilin Song and Mr. Yihao Zhang as the independent non-executive directors.

* *for identification purpose only*

Notes:

(1) The resolution at the EGM will be taken by poll pursuant to the articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Hong Kong Listing Rules**"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Hong Kong Listing Rules.

(2) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy (or more than one proxy if he/she holds more than one share) to attend and on a poll, vote on his/her behalf. A proxy needs not be a shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.

(3) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be delivered to the Company's Board secretary office (for holders of Unlisted Shares), at 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC or the Company's H share registrar in Hong Kong (for holders of H shares), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the EGM (i.e. not later than 9:00 a.m. on Tuesday, 30 December 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

(4) In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025 (both dates inclusive), during which period no transfer of shares of the Company will be effected. Shareholders whose names appear on the registers of members of the Company on Wednesday, 31 December 2025 shall be entitled to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on Tuesday, 23 December 2025.

(5) Shareholders who attend the EGM in person or by proxy shall bear their own travelling and accommodation expenses.

(6) References to time and dates in this notice are to Beijing time and dates.