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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Henlius

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)

(1) CONTINUING CONNECTED TRANSACTION REVISION OF ANNUAL CAP FOR THE COLLABORATION ARRANGEMENTS UNDER THE HLX01 AGREEMENT (2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser

to the Independent Board Committee and Independent Shareholders

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
浤 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 on Monday, 23 November 2026 at 2:00 p.m. is set out on pages 40 to 41 of this circular.

A letter from the Board is set out on pages 4 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 the Independent Financial Adviser containing its advice to the Independent Board Committee and Independent Shareholders is set out on pages 17 to 32 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 10F, Building B8, 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 2:00 p.m. on Sunday, 22 November 2026) 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 (http://www.hkexnews.hk) and the Company (http://www.henlius.com).

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

2 November 2026

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

"Board"	the board of Directors of the Company
"Company"	Shanghai Henlius Biotech, Inc., a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 2696)
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the 2026 first extraordinary general meeting of the Company to be held at Conference Room, 10th Floor, B8 Building, No. 188 Yizhou Road, Xuhui District, Shanghai, PRC on Monday, 23 November 2026 at 2:00 p.m., for the Shareholders (or, in respect of the resolution regarding the revision of the annual cap under the HLX01 Agreement, the Independent Shareholders) to consider, and if thought fit, to approve the resolutions contained in the notice of meeting which is set out on pages 40 to 41 of this circular, or any adjournment thereof
"Existing Annual Cap"	the existing annual cap for the collaboration arrangements under the HLX01 Agreement for the year ending 31 December 2026 as set out in the announcement dated 25 November 2024 and the circular dated 5 December 2024
"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 (stock code: 00656), and a controlling shareholder
"Fosun New Medicine"	Shanghai Fosun New Medicine Research Co., Ltd.* (上海復星新藥研究股份有限公司) (formerly known as "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, and a controlling shareholder
"Fosun Pharma Industrial Development"	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Fosun Pharma
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the Company's ordinary share capital, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
"HLX01 Agreement"	an agreement entered into between the Company and Fosun Pharma Industrial Development in September 2015 to commercialise HLX01 (HANLIKANG) as defined in the Prospectus
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time
"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 appointed to advise the Independent Board Committee and the Independent Shareholders on the revision of annual cap for the collaboration arrangements under the HLX01 Agreement
"Independent Non-executive Director(s)"	the independent non-executive Director(s) of the Company, namely, Mr. Tak Young So, Dr. Lik Yuen Chan and Dr. Ruilin Song

"Independent Shareholders"	Shareholders other than Fosun Pharma Industrial Development, Fosun New Medicine and Fosun Industrial
"Latest Practicable Date"	23 October 2026
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"PRC" or "Mainland China"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and China Taiwan
"Prospectus"	the prospectus issued by the Company on 12 September 2019
"R&D"	Research & Development
"Revised Annual Cap"	the revised annual cap for the collaboration arrangements under the HLX01 Agreement for the year ending 31 December 2026 as set out in this circular
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Share(s)"	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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 share capital of the Company, which are not listed on any stock exchange
"%"	per cent.

* *For identification purposes 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)

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

Non-executive Directors:
Dr. Xingli WANG *(Chairman of the Board)*
Mr. Qiyu CHEN
Mr. Yuqing CHEN
Ms. Xiaohui GUAN
Dr. Yi LIU

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

Head office and Principal Place of Business in the PRC:
11F, 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:
Room 1917, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

2 November 2026

To the Shareholders

Dear Sir/Madam,

(1) CONTINUING CONNECTED TRANSACTION
REVISION OF ANNUAL CAP FOR THE COLLABORATION ARRANGEMENTS UNDER THE HLX01 AGREEMENT
(2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 27 October 2026 in relation to the revision of annual cap for collaboration arrangements under the HLX01 Agreement; and (ii) the announcement of the Company dated 30 September 2026 in relation to, among others, the proposed appointment of non-executive director and independent non-executive director.

The purpose of this circular is (i) to provide you with, among other things, further information in respect of the Revised Annual Cap for the collaboration arrangements under the HLX01 Agreement and the proposed appointment of non-executive Director and independent non-executive Director; and (ii) to give you notice of the EGM at which ordinary resolutions will be proposed to approve the Revised Annual Cap for the collaboration arrangements under the HLX01 Agreement and the proposed appointment of non-executive Director and independent non-executive Director.

II. REVISION OF ANNUAL CAP FOR THE COLLABORATION ARRANGEMENTS UNDER THE HLX01 AGREEMENT

A. Introduction

Reference is made to the Prospectus, the announcement dated 31 December 2021, the announcement dated 25 November 2024 and the circular dated 5 December 2024 of the Company in relation to, among other things, the collaboration arrangements under the HLX01 Agreement.

The Company proposes to adjust the Existing Annual Cap for the collaboration arrangements under the HLX01 Agreement for the year ending 31 December 2026. As stated in the section headed "Reasons for and Benefits of the Adoption of the Revised Annual Cap" in this circular, it is expected that the estimated transaction amount for the year ending 31 December 2026 under the collaboration arrangements pursuant to the HLX01 Agreement will increase accordingly, and therefore the Company anticipates that the Existing Annual Cap will not be sufficient to fulfill the increased transaction amount for the year ending 31 December 2026.

B. Collaboration arrangements under the HLX01 Agreement

The principal terms of the HLX01 Agreement are set out below:

a. Principal terms

Pursuant to the HLX01 Agreement, the Company has agreed to (i) be responsible for the R&D, regulatory submission, clinical trials as well as the manufacturing and supply of HANLIKANG in the PRC and (ii) grant an exclusive license to Fosun Pharma Industrial Development and/or its associates to promote and commercialise HANLIKANG in the PRC. The Company has also agreed with Fosun Pharma Industrial Development to share the net profit (as defined in the HLX01 Agreement) derived from the sales of HANLIKANG by Fosun Pharma and/or its associates in the PRC.

The HLX01 Agreement became effective on the date of signing, and will continue until terminated in accordance with its terms. As set out in the Prospectus, the announcement dated 31 December 2021, the announcement dated 25 November 2024 and the circular dated 5 December 2024 of the Company, (a) the Company has entered into the HLX01 Agreement with Fosun Pharma Industrial Development; (b) the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 14A.52 of the Listing Rules such that the term of the HLX01 Agreement can be of an unspecified term.

The HLX01 Agreement may be terminated if (i) any party materially breaches the terms of the HLX01 Agreement and such breach cannot be cured within 90 days by the breaching party upon receiving notice from the non-breaching party, or (ii) any party is under liquidation, whether voluntary or otherwise, or enters into any agreements with its creditors which may be detrimental to the performance of the obligations under the HLX01 Agreement. In addition, if there is a change of control of Fosun Pharma Industrial Development, Fosun Pharma Industrial Development and the Company should negotiate in good faith for continuing to carry out the cooperation arrangement under the HLX01 Agreement, failing which, the Company may terminate the HLX01 Agreement.

b. Pricing policies

Pursuant to the terms of the HLX01 Agreement, the Company has set the payment for (i) the supply of products by the Group and (ii) the sharing of net profits under the relevant cooperation agreements as formulas below.

(i) For the payment to be received in relation to the supply of products by the Company

The payment to be received from Fosun Pharma and/or its associates for the supplying of the relevant products by the Company pursuant to the HLX01 Agreement will be determined in accordance with the following formula:

Payment to be received = (1+10%) × cost incurred by the Company for the manufacturing of the relevant products delivered to Fosun Pharma and/or its associates

(ii) For the payment to be received in relation to the sharing of net profits

The payment to be received from Fosun Pharma and/or its associates for the sharing of net profits pursuant to the HLX01 Agreement will be determined in accordance with the following formula:

Payment to be received = 50% × Net profit of relevant products

"Net profit" refers to the revenue received by Fosun Pharma Industrial Development from the sale of the relevant products, after deducting (i) marketing and selling expenses determined in accordance with the terms of the relevant agreement and (ii) the cost incurred by the Company for manufacturing of the relevant products (plus a 10% margin).

c. Payment terms

Pursuant to the terms of the HLX01 Agreement, (i) payment to be received for the supply of products by the Company is settled on a monthly basis; and (ii) payment to be received for the sharing of net profits is, in principle, settled annually within the first quarter of the following year, subject to review and confirmation by the parties.

C. Historical transaction amounts

The transaction amount incurred under the collaboration arrangements pursuant to the HLX01 Agreement (including revenue from supply of products and sharing of net profits) received by the Group from Fosun Pharma and/or its associates was RMB555.28 million for the year ended 31 December 2025.

Based on the Group's unaudited management accounts, the historical transaction amount under the collaboration arrangements pursuant to the HLX01 Agreement for the nine months ended 30 September 2026 was approximately RMB482.82 million, representing approximately 70.8% of the Existing Annual Cap for the year ending 31 December 2026. The Company confirms that as at the Latest Practicable Date, the actual transaction amount under the collaboration arrangements pursuant to the HLX01 Agreement has not exceeded the Existing Annual Cap for the year ending 31 December 2026.

D. Adoption of the Revised Annual Cap and the basis of determination

In light of the above, the Company anticipates that the Existing Annual Cap under the collaboration arrangements pursuant to the HLX01 Agreement will not be sufficient to meet the business needs of the Group. Accordingly, the Company proposes to revise the Existing Annual Cap under the collaboration arrangements pursuant to the HLX01 Agreement as follows:

	For the year ending 31 December 2026 *(RMB)*
Existing Annual Cap	682 million
Revised Annual Cap	714 million

The Revised Annual Cap under the collaboration arrangements pursuant to the HLX01 Agreement is determined with reference to, among other things, the following factors:

a. Historical transaction amounts incurred between the Group and Fosun Pharma and/or its associates (including revenue from supply of products and sharing of net profits):

   (i) approximately RMB518.74 million and RMB555.28 million for the years ended 31 December 2024 and 2025, respectively;

   (ii) approximately RMB482.82 million for the nine months ended 30 September 2026 based on unaudited management accounts of the Group, representing approximately 70.8% of the Existing Annual Cap as at 30 September 2026.

This increase is primarily attributable to the Guangdong regional alliance procurement renewal of HANLIKANG in 2025. The renewed Guangdong regional alliance procurement scheme covers all public medical institutions (including military medical institutions) across over 20 alliance regions in the PRC, with medical-insurance-designated private (社會辦) medical institutions and designated pharmacies also being permitted to participate on a voluntary basis. As the term of the renewed Guangdong regional alliance procurement scheme remains in effect until 31 December 2026, and having regard to the expected growth in the sales volume of HANLIKANG in the second half of 2026 as set out in paragraph (d) below, the Company forecasts that the transaction amount for the year ending 31 December 2026 is expected to approach, or may exceed, the Existing Annual Cap.

b. The historical revenue generated by Fosun Pharma and/or its associates from the sales of HANLIKANG. Coupled with the expected continued growth in HANLIKANG sales as set out in paragraph (d) below, the Company expects the Group's revenue under the HLX01 Agreement to increase correspondingly for the year ending 31 December 2026;

c. The expected unit price of HANLIKANG sold by the Group to Fosun Pharma and/or its associates for the year ending 31 December 2026, which is estimated to be in line with the historical average unit price for the six months ended 30 June 2026; and

d. The estimated growth in the sales volume of HANLIKANG for the year ending 31 December 2026. In 2025, the sales volume of HANLIKANG in the PRC was weighted towards the second half of the year, with the fourth quarter accounting for a considerable proportion of full-year shipment volume. Based on the anticipated order volume to be placed by Fosun Pharma and/or its associates, together with the historical seasonal weighting towards the second half of the year, the sales volume of HANLIKANG in the PRC is expected to increase by approximately 19.6% in the second half of 2026 as compared to the actual sales volume of HANLIKANG in the PRC in the first half of 2026.

   This estimated growth rate of approximately 19.6% has been determined with reference to (a) the sales volume data from the IQVIA CHPA database (IQVIA is a global provider of professional information and strategic consulting services in the pharmaceutical and health industry), where the sales volume of rituximab injection in the PRC increased from approximately 19.2 million units (100mg/unit) in 2022 to approximately 31.1 million units (100mg/unit) in 2025, representing a compound annual growth rate of approximately 17.4%; and (b) the historical growth rate of HANLIKANG's own sales volume in the PRC, which was approximately 17.9% in 2025. The Company considers the growth rate to be reasonable, taking into account the anticipated order volume to be placed by Fosun Pharma and/or its associates and the historical growth trend of HANLIKANG's sales volume referred to above.

E. Reasons for and benefits of the adoption of the Revised Annual Cap

As the R&D of pharmaceutical products requires significant capital investment, it is common practice in the pharmaceutical industry to share the risks and costs associated with the drug development process through cooperation. Following such industry practice, the Group entered into the HLX01 Agreement prior to its Listing and has continued such cooperation with Fosun Pharma Industrial Development up to the present. Upon re-assessment of a series of comprehensive factors (including, among others, the actual business needs of the Group and Fosun Pharma and/or its associates and the impact of the Guangdong regional alliance procurement renewal of HANLIKANG in 2025), it is estimated that the transaction amount under the HLX01 Agreement for the year ending 31 December 2026 will increase accordingly, primarily driven by the growth in sales volume for HANLIKANG in the PRC market following the regional alliance procurement renewal, such that the Existing Annual Cap for the year ending 31 December 2026 is expected to be insufficient to cover the anticipated transaction amount for the relevant year. Accordingly, the Company considers that the adoption of the Revised Annual Cap for the year ending 31 December 2026 will be important to the overall business operations of the Group, as it enables the Group to continue to benefit from and leverage Fosun Pharma's foundation, accumulation and team allocation in the field of non-solid tumours and autoimmune diseases, as well as its extensive resources, established market access and nationwide sales and marketing network, supporting the continued commercialization and sales growth of HANLIKANG in the PRC market and further strengthening the Group's commercial operations. In determining the Revised Annual Cap, the Company has adopted a prudent approach with a view to maintaining the sustainability of the Group's business under the HLX01 Agreement. The adoption of the Revised Annual Cap is not expected to have any material adverse impact on the Group.

Meanwhile, having considered the current business performance and anticipated order volumes of the Group, together with the actual transaction trend under the HLX01 Agreement, the Company considers that no adjustment to the Existing Annual Cap for the year ending 31 December 2027 is required at this stage. The Company will continue to closely monitor the implementation of the relevant transactions and will, having regard to the actual trend, assess in due course whether any corresponding adjustment to such annual cap is required.

Having considered the above, 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 revision of annual cap for the collaboration arrangements under the HLX01 Agreement is fair and reasonable, 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.

F. Listing Rules implications

As at the Latest Practicable Date, Fosun Pharma Industrial Development is a subsidiary of Fosun Pharma, the controlling shareholder of the Company. Fosun Pharma Industrial Development is therefore a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the HLX01 Agreement constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise any annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transactions.

As the highest applicable percentage ratio in respect of the Revised Annual Cap is more than 5%, the collaboration arrangements under the HLX01 Agreement and the transactions contemplated thereunder are subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

G. Internal control procedures

The Group has formulated internal control measures and procedures to manage the continuing connected transactions and annual caps under the HLX01 Agreement, the details of which are set out as follows:

(i) the internal control department, internal audit department, board secretary office, and marketing and commercial operation department of the Company will conduct regular checks on a monthly basis to review and assess the sales of the relevant products and that the transactions under the HLX01 Agreement are conducted in accordance with the terms of relevant agreements;

(ii) the Group has approved internal guidelines that additional reports and approvals are required for transactions exceeding the proposed annual caps (if applicable) to ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules;

(iii) the Company will obtain and review the monthly sales management reports of the relevant products provided by Fosun Pharma and/or its associates, and conduct online and offline communications with Fosun Pharma and/or its associates to ensure the accuracy of the net profit of the relevant products (including their revenues and expenses);

(iv) the Company will, on an annual basis, review and collect the relevant transaction rates of similar products in the market or offered by independent third parties to ensure the payments to be received (including revenue from supply of products and sharing of net profits) will be at rates no less favourable than terms offered by independent third parties;

(v) the finance department reports actual transaction amounts to the internal control department, internal audit department, board secretary office, and marketing and commercial operation department on a monthly basis, and the risk of exceeding the relevant abovementioned annual caps will be evaluated each month based on such actual transaction amounts. If the estimated annual transaction amounts which are calculated based on the historical transaction amounts and the estimated transaction amounts for the remaining months of the same year under the HLX01 Agreement are expected to exceed the relevant abovementioned annual caps, the relevant business department will liaise with the finance department and board secretary office in advance to initiate an approval application process in relation to the revision of annual caps in order to comply with all applicable requirements under the Group's internal control policy as well as under the Listing Rules; and

(vi) the Independent Non-executive Directors and auditors of the Company will conduct annual review on the actual execution of the transactions contemplated under the HLX01 Agreement and provide annual confirmations in accordance with the Listing Rules.

H. Information on the parties

Fosun Pharma Industrial Development

Fosun Pharma Industrial Development is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Fosun Pharma and is mainly engaged in contract manufacturing of pharmaceutical products, clinical trial services for pharmaceutical products, industrial investments, medical industry investments, import and export of goods and technologies.

The Company

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

I. Independent Board Committee and Independent Financial Adviser

An Independent Board Committee, comprising all the Independent Non-executive Directors, has been established to consider and advise the Independent Shareholders on the revision of annual cap for the collaboration arrangements under the HLX01 Agreement. Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

J. Other information

Each of Dr. Xingli Wang, Mr. Qiyu Chen, Mr. Yuqing Chen, Ms. Xiaohui Guan and Dr. Yi Liu holds directorships and/or executive positions with Fosun International and/or its subsidiaries, and each of them has abstained from voting on the Board resolution approving the revision of annual cap for the collaboration arrangements under the HLX01 Agreement. Save for the above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has a material interest in the HLX01 Agreement and no other Director has abstained from voting on the relevant Board resolution approving the revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

III. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board has proposed to appoint (i) Mr. Zhi Huang ("**Mr. Huang**") as a non-executive Director of the fourth session of the Board; and (ii) Dr. Huajun Chen ("**Dr. Chen**") as an independent non-executive Director of the fourth session of the Board. A separate ordinary resolution for the appointment of each of Mr. Huang and Dr. Chen will be proposed to the Shareholders at the EGM for their consideration and approval.

The term of office of Mr. Huang's appointment as a non-executive Director shall commence from the date of approval by the Shareholders at the EGM and end on the expiry of the term of the fourth session of the Board (or the term of office shall expire at the conclusion of the general meeting at which members of the next session of the Board will be elected). The Company will enter into a written service agreement with Mr. Huang upon the approval of his appointment as a non-executive Director of the Company at the EGM. Mr. Huang will not receive any remuneration from the Company for acting as a non-executive Director of the Company.

The term of office of Dr. Chen's appointment as an independent non-executive Director shall commence from the date of approval by the Shareholders at the EGM and end on the expiry of the term of the fourth session of the Board (or the term of office shall expire at the conclusion of the general meeting at which members of the next session of the Board will be elected). The Company will enter into a written service agreement with Dr. Chen upon the approval of his appointment as an independent non-executive Director of the Company at the EGM. Dr. Chen is entitled to a remuneration of HKD400,000 per annum (before tax) which was determined with reference to his experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

The details of Mr. Huang and Dr. Chen are set out in Appendix II to this circular.

The above candidates meet the qualification requirements to serve as Directors as stipulated in relevant PRC laws, regulations, the Articles of Association and the Listing Rules, and the Board agreed to submit the above candidates to be considered and approved at the EGM by way of ordinary resolutions. In recommending the appointment of Dr. Chen as an independent non-executive Director, the Nomination Committee of the Board has taken into account various factors, including but not limited to gender, age, cultural and educational background, character, integrity, professional experience, skills, knowledge and the experience related to the Company's business and strategy, in accordance with the board diversity policy adopted by the Company. As set out in Dr. Chen's biographical details, he possesses extensive academic and research experience in artificial intelligence, knowledge graphs and natural language processing, together with an educational background in bioengineering and experience in the digitalisation of the healthcare sector. The Nomination Committee and the Board consider that Dr. Chen's appointment will bring valuable academic expertise, insights drawn from his technology background and diverse perspectives to the Board. The Nomination Committee and the Board have also assessed and are satisfied with the independence of Dr. Chen with reference to the criteria set out in Rule 3.13 of the Listing Rules. The Board considers that the proposed appointment of Dr. Chen as an independent non-executive Director is in the best interests of the Company and the Shareholders as a whole.

IV. EGM AND PROXY ARRANGEMENT

A notice of EGM is set out on pages 40 to 41 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 on Monday, 23 November 2026 at 2:00 p.m. 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 resolutions 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. 2:00 p.m. on Sunday, 22 November 2026) 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.

The revision of annual cap for the collaboration arrangements under the HLX01 Agreement will be considered, and if thought fit, approved by the Independent Shareholders, at the EGM by poll. Fosun Pharma Industrial Development and its associates (including Fosun New Medicine and Fosun Industrial, which are subsidiaries of Fosun Pharma), which are interested in an aggregate of 344,730,800 Shares, representing approximately 63.22% of the total issued Shares of the Company as at the Latest Practicable Date, will abstain from voting on the resolution regarding the revision of annual cap for the collaboration arrangements under the HLX01 Agreement at the EGM. Save for the above, as far as the Directors are aware having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company by means set out in Rule 13.39(5) of the Listing Rules after the EGM.

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, 18 November 2026 to Monday, 23 November 2026 (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 Monday, 23 November 2026 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 Board secretary office (for holders of Unlisted Shares), at 10F, Building B8, 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, 17 November 2026.

V. 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 revision of annual cap for the collaboration arrangements under the HLX01 Agreement is fair and reasonable, 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 the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

The Independent Board Committee, having taken into account the recommendations from Rainbow Capital, the Independent Financial Adviser, considers that the revision of annual cap for the collaboration arrangements under the HLX01 Agreement is fair and reasonable, 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 revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

The Directors consider that the proposed appointment of non-executive Director and independent non-executive Director is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the EGM.

VI. 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 revision of annual cap for the collaboration arrangements under the HLX01 Agreement and the principal factors and reasons considered by them in arriving such recommendations set out on pages 17 to 32 of this circular.

Yours faithfully,
On behalf of the Board
Shanghai Henlius Biotech, Inc.
Xingli Wang
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)

2 November 2026

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION
REVISION OF ANNUAL CAP FOR THE COLLABORATION ARRANGEMENTS UNDER THE HLX01 AGREEMENT

We have been appointed as members of the Independent Board Committee to consider and advise you on whether the revision of annual cap for the collaboration arrangements under the HLX01 Agreement, is in the ordinary and usual course of business of the Company, has been entered into on normal commercial terms, and fair and reasonable and 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 4 to 15 of the circular dated 2 November 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

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 the Independent Financial Adviser set out on pages 17 to 32 of the Circular.

Having considered the information set out in the letter from the Board, and the opinion of the Independent Financial Adviser in relation thereto, we are of the opinion that the revision of annual cap for the collaboration arrangements under the HLX01 Agreement is in the ordinary and usual course of business of the Company, has been entered into on normal commercial terms, and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that you vote in favour of the resolution to be proposed at the EGM to approve the revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

Yours faithfully,

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

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, 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

2 November 2026

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 TRANSACTION
REVISION OF ANNUAL CAP FOR THE COLLABORATION ARRANGEMENTS UNDER THE HLX01 AGREEMENT

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 revision of annual cap for the collaboration arrangements under the HLX01 Agreement, details of which 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 2 November 2026 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

Pursuant to the HLX01 Agreement, the Company has agreed to (i) be responsible for the R&D, regulatory submission, clinical trials as well as the manufacturing and supply of HANLIKANG in the PRC; and (ii) grant an exclusive license to Fosun Pharma Industrial Development and/or its associates to promote and commercialize HANLIKANG in the PRC. The Company had also agreed with Fosun Pharma Industrial Development to share the net profit (as defined in the HLX01 Agreement) derived from the sales of HANLIKANG by Fosun Pharma and/or its associates in the PRC.

As it is expected that the estimated transaction amounts for the year ending 31 December 2026 for the collaboration arrangements under the HLX01 Agreement will increase accordingly, the Company anticipates that the Existing Annual Cap will not be sufficient to fulfill the increased transaction amounts for the year ending 31 December 2026. Accordingly, the Company proposes to adjust the Existing Annual Cap for the collaboration arrangements under the HLX01 Agreement for the year ending 31 December 2026.

As at the Latest Practicable Date, Fosun Pharma Industrial Development is a subsidiary of Fosun Pharma, the controlling shareholder of the Company. Fosun Pharma Industrial Development is therefore a connected person of the Company by virtue of being an associate of the Company's controlling shareholder. Accordingly, the transactions under the HLX01 Agreement constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise any annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transactions. As the highest applicable percentage ratio in respect of the Revised Annual Cap is more than 5%, the collaboration arrangements under the HLX01 Agreement and the transactions contemplated thereunder are subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Tak Young So, Dr. Lik Yuen Chan and Dr. Ruilin Song has been formed to advise the Independent Shareholders on whether the revision of annual cap for the collaboration arrangements under the HLX01 Agreement is fair and reasonable, 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, and as to voting. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and Fosun Pharma Industrial Development that could reasonably be regarded as relevant to our independence. We have been appointed as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to (i) 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; (ii) the 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; and (iii) continuing connected transactions of renewal of the Sinopharm distribution collaboration, details of which are set out in the circular of the Company dated 3 December 2025. Other than that, there was no other engagement between the Group or Fosun Pharma Industrial Development and/or its associates 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 other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the HLX01 Agreement. Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements will not affect our independence to act as the Independent Financial Adviser due to the fact that (a) we were appointed as independent financial adviser to advise the then independent board committee and the independent shareholders of the Company and such engagements did not fall into any circumstances as set out under the Rule 13.84 of the Listing Rules, therefore we maintained our independence from the Company during the aforesaid past engagements; and (b) the professional fees in connection with the aforesaid past engagements have been fully settled, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

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, Fosun Pharma Industrial Development or any of their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the revision of annual cap for the collaboration arrangements under the HLX01 Agreement, we have taken into account the principal factors and reasons set out below:

1. Information of the Group

The Group 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 the provision of the related technology consultation services.

With reference to the interim report of the Company for the six months ended 30 June 2026, as of 16 September 2026, 10 products (41 indications) of the Group have been successfully approved for marketing in China, the United States, Europe, Canada, Australia, Brazil, South Korea, Indonesia, the Dominican Republic and other countries/regions, including 8 products approved for marketing in multiple overseas markets, covering over 60 countries/regions, benefiting over 1,100,000 patients around the world. Among the 10 commercialized products, HANLIKANG (rituximab injection, HLX01) is a rituximab biosimilar independently developed by the Group and is commercially available in the domestic market in mainland China since 2019. It is the first monoclonal antibody drug approved for marketing under the Guidelines for the R&D and Evaluation of Biosimilars (Trial) (《生物類似藥研發與評價技術指導原則(試行)》) in China in 2019. The Company actively collaborates with partners such as Fosun Pharma, Eurofarma Laboratorios S.A., Abbott Operations Uruguay S.R.L. and Boston Oncology, LLC to continuously advance the global presence of HANLIKANG.

Going forward, the Group will, as always, promote the business cooperation and local market establishment of its self-developed products in international markets, deepen its global out-licensing strategy to expand the international influence and accelerate the global value realization. The Group will also continue to work closely with international partners, leverage forward-looking market insights and refined access strategies to enhance its global commercialization capabilities, promote to integrate products into the local market deeply to benefit more overseas patients.

2. Information of Fosun Pharma Industrial Development

Fosun Pharma Industrial Development is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Fosun Pharma which is mainly engaged in contract manufacturing of pharmaceutical products, clinical trial services for pharmaceutical products, industrial investments, medical industry investments, import and export of goods and technologies.

Fosun Pharma is a joint stock company established in mainland China, 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. With reference to the interim report of Fosun Pharma for the six months ended 30 June 2026, Fosun Pharma has built a professional, digital and compliant commercialization system, and has established dedicated sales teams focusing on oncology (hematology, breast cancer, lung cancer), immunology and inflammation and CVRM (cardiovascular, gastrointestinal, nephrology). Its core commercialization capacity lies in efficiently transforming clinical value into global commercial value through the "Pharmaceuticals + Medical Devices" dual-engine drive and the deep integration of globalization and localization. As at 30 June 2026, Fosun Pharma's commercialization teams cover major markets including China, the U.S. and Africa with more than 6,000 employees, and regional distribution centers were established in emerging markets such as Africa and Southeast Asia.

3. Reasons for and benefits of the revision of annual cap for the collaboration arrangements under the HLX01 Agreement

As the R&D of pharmaceutical products requires significant capital investment, it is common practice in the pharmaceutical industry to share the risks and costs associated with the drug development process through cooperation. Following such industry practice, the Group has entered into the HLX01 Agreement prior to its Listing and has continued such cooperation with Fosun Pharma Industrial Development up to the present. In addition, the Company has entered into several cooperation agreements with business partners, including Fosun Pharma and/or its associates and other independent third parties. The Company believes that such cooperation agreements (including the cooperation agreements with Fosun Pharma and/or its associates) are in the interest of the Company and its Shareholders as a whole.

With reference to the Letter from the Board, upon re-assessment of a series of comprehensive factors (including, among others, the actual business needs of the Group and Fosun Pharma and/or its associates and the impact of the Guangdong regional alliance procurement renewal of HANLIKANG in 2025), it is estimated that the transaction amount under the HLX01 Agreement for the year ending 31 December 2026 will increase accordingly, primarily driven by the growth in sales volume for HANLIKANG in the PRC market following the regional alliance procurement renewal, such that the Existing Annual Cap for the year ending 31 December 2026 is expected to be insufficient to cover the anticipated transaction amount for the relevant year. Accordingly, the Company proposes to adjust the Existing Annual Cap for the collaboration arrangements under the HLX01 Agreement for the year ending 31 December 2026. In determining the Revised Annual Cap, the Company has adopted a prudent approach with a view to maintaining the sustainability of the Group's business under the HLX01 Agreement. The adoption of the Revised Annual Cap is not expected to have any material adverse impact on the Group.

As discussed in the section headed "2. Information of Fosun Pharma Industrial Development" above, Fosun Pharma Industrial Development is a wholly-owned subsidiary of Fosun Pharma. Fosun Pharma has built a professional, digital and compliant commercialization system, and has established dedicated sales teams focusing on oncology (hematology, breast cancer, lung cancer), immunology and inflammation and CVRM (cardiovascular, gastrointestinal, nephrology). As at 30 June 2026, Fosun Pharma's commercialization teams cover major markets including China, the U.S. and Africa with more than 6,000 employees, and regional distribution centers were established in emerging markets such as Africa and Southeast Asia. As such, we concur with the Company that the adoption of the Revised Annual Cap for the year ending 31 December 2026 will be important to the overall business operations of the Group, as it enables the Group to continue to benefit from and leverage Fosun Pharma's foundation, accumulation and team allocation in the field of non-solid tumors and autoimmune diseases, as well as its extensive resources, established market access and nationwide sales and marketing network, continuing to support the commercialization of HANLIKANG and further strengthening the Group's commercial operations.

Based on the above, we consider that the revision of annual cap for the collaboration arrangements under the HLX01 Agreement is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4. Collaboration arrangements under the HLX01 Agreement

Set out below are the principal terms of the HLX01 Agreement.

(i) Principal terms

Pursuant to the terms of the HLX01 Agreement, the Company has agreed to (a) be responsible for the R&D, regulatory submission, clinical trials as well as the manufacturing and supply of HANLIKANG in the PRC; and (b) grant an exclusive license to Fosun Pharma Industrial Development and/or its associates to promote and commercialise HANLIKANG in the PRC. The Company has also agreed with Fosun Pharma Industrial Development to share the net profit (as defined in the HLX01 Agreement) derived from the sales of HANLIKANG by Fosun Pharma and/or its associates in the PRC.

The HLX01 Agreement became effective on the date of signing, and will continue until terminated in accordance with its terms. As set out in the Prospectus, the announcement dated 25 November 2024 and the circular dated 5 December 2024, (a) the Company has entered into the HLX01 Agreement with Fosun Pharma Industrial Development; and (b) the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 14A.52 of the Listing Rules such that the term of the HLX01 Agreement can be of an unspecified term.

The HLX01 Agreement may be terminated if (a) any party materially breaches the terms of the HLX01 Agreement and such breach cannot be cured within 90 days by the breaching party upon receiving notice from the non-breaching party, or (b) any party is under liquidation, whether voluntary or otherwise, or enters into any agreements with its creditors which may be detrimental to the performance of the obligations under the HLX01 Agreement. In addition, if there is a change of control of Fosun Pharma Industrial Development, Fosun Pharma Industrial Development and the Company should negotiate in good faith for continuing to carry out the cooperation arrangement under the HLX01 Agreement, failing which, the Company may terminate the HLX01 Agreement.

(ii) Pricing policies

Pursuant to the terms of the HLX01 Agreement, the Company has set the payment for (a) the supply of products by the Group and (b) the sharing of net profits as formulas below.

The payment to be received from Fosun Pharma and/or its associates for the supplying of the HANLIKANG by the Company pursuant to the HLX01 Agreement will be determined in accordance with the following formula:

Payment to be received = (1+10%) x cost incurred by the Company for the manufacturing of HANLIKANG delivered to Fosun Pharma and/or its associates

The payment to be received from Fosun Pharma and/or its associates for the sharing of net profits pursuant to the HLX01 Agreement will be determined in accordance with the following formula:

Payment to be received = 50% x net profit of HANLIKANG, where "net profit" refers to the revenue received by Fosun Pharma Industrial Development from the sale of HANLIKANG, after deducting (a) marketing and selling expenses determined in accordance with the terms of the HLX01 Agreement and (b) the cost incurred by the Company for manufacturing of HANLIKANG (plus a 10% margin).

(iii) Payment terms

Pursuant to the terms of the HLX01 Agreement, (a) payment to be received for the supply of products by the Company is settled on a monthly basis; and (b) payment to be received for the sharing of net profits is, in principle, settled annually within the first quarter of the following year, subject to review and confirmation by the parties.

We have reviewed the HLX01 Agreement and have discussed with the management of the Group on the major terms therein. As advised by the management of the Group, the supply of products to Fosun Pharma and/or its associates is an integral part of the collaboration arrangements with Fosun Pharma and/or its associates and is consistent with the practice between the Company and its other independent business partners. Overall, the arrangements and the aforementioned two formulas under the HLX01 Agreement are in line with the industry practice.

We understood from the Company that there are several cases of pharmaceutical companies in the market having similar pricing policies as those under the HLX01 Agreement. For instance, on 22 December 2017, Legend Biotech, a subsidiary of GenScript Biotech Corporation (stock code: 1548), announced that it has executed a strategic collaboration agreement to jointly develop and commercialize a product with Janssen Biotech, Inc.. According to the agreement, both parties have agreed to jointly share the development, production and commercialization activities, with a 50/50 profit-loss sharing agreement for the world-wide market excluding Greater China market and a 70/30 profit-loss sharing agreement for Greater China market (source: https://legendbiotech.com/wp-content/uploads/2022/08/legend-biotech-announces-closing-of-global-strategic-LCAR-B38M-Car-T-Cell-Immunotherapy-collaboration-with-janssen.pdf). On 19 May 2025, CRISPR Therapeutics (NASDAQ: CRSP) and Sirius Therapeutics announced a strategic partnership to develop and commercialize siRNA therapies, pursuant to which both parties will jointly develop a product under a 50-50 cost and profit-sharing structure (source: https://ir.crisprtx.com/news-releases/news-release-details/crispr-therapeutics-and-sirius-therapeutics-announce-multi). Besides, for the Company itself, we were advised that on 4 January 2021 and 27 October 2023, it also entered into licensing agreements with Intas Pharmaceuticals Ltd. ("**Intas**"), an independent third party and one of the leading multinational pharmaceutical formulation development, manufacturing and marketing companies in the world, to develop, manufacture and commercialize the Company's licensed products in certain territories and royalties of which are profit based. Besides, on 17 August 2026, the Company entered into a framework collaboration agreement with Sandoz AG ("**Sandoz**") to, among others, register and commercialize certain collaboration products in agreed territory and royalties of which are profit based. Based on our independent research and review of the announcements published by the Company dated 4 January 2021, 27 October 2023 and 17 August 2026, we noted that (i) the information we found in public domain is consistent to our understanding from the Company; (ii) the royalties of the two licensing agreements entered between the Company and Intas range from 15% to 50% based on the net profits of the Company's licensed products; and (iii) Sandoz agreed to pay the Company, among others, 40% of the net sales or net profits of the relevant collaboration products in agreed territory. In other words, the profit sharing ratios between the Company and Intas and Sandoz were in the range of 15% to 50%. Accordingly, we concur with the management of the Group that the cost and profit sharing arrangements under the HLX01 Agreement is in line with the industry practice, and the Group's profit-sharing arrangement of 50% is considered to be reasonable.

Furthermore, we have performed independent research to identify comparable transactions involving commercialization and cooperation on a pharmaceutical product with royalty payments as a predetermined percentage of sales or profits announced by the pharmaceutical companies listed on the Stock Exchange during the period from 1 September 2020 to 31 August 2026 (being approximately six years) (the "**Review Period**"). We consider the Review Period is fair and reasonable as it allows us to (i) captures the recent market practice in relation to the commercialization and cooperation on a product by the pharmaceutical companies under the prevailing market conditions; and (ii) identify a sufficient number of samples for comparison purpose. We have identified, on a best effort basis, an exhaustive list of seven transactions (the "**Comparable Transactions**"). The details of the Comparable Transactions are set out below:

Date of announcement	Company name (stock code)	Nature of the transaction	Pricing policies
13 July 2021	HUTCHMED (China) Limited (13.HK)	The company is responsible for the clinical development, marketing authorization, manufacturing and supply of a product while the counterparty is responsible for its commercialization	Fixed royalties of 30% of sales
15 July 2021	Kintor Pharmaceutical Limited (9939.HK)	The exclusive rights of registration and commercialization of a product	Upfront and milestone payments up to RMB560 million and royalty payments of not less than 50% of the total operating profit
17 September 2021	Everest Medicines Limited (1952.HK)	The exclusive, sublicensable license to develop, manufacture and commercialize the licensed products	License fees of US$561 million in aggregate and royalties (i) up to US$180 million in aggregate for annual net sales of a licensed product up to US$2 billion; and (ii) at a rate of 12% for the portion of aggregate annual net sales of a licensed product greater than US$2 billion
21 June 2022	China NT Pharma Group Company Limited (1011.HK)	The exclusive and perpetual license to commercialize the technology of a product	License fees of US$24 million and annual royalties of 10% of the revenue incurred from sale of the product
27 December 2022	Shanghai Junshi Biosciences Co., Ltd. (1877.HK)	The exclusive license to develop and commercialize a product	Payments of up to an aggregate of US$12 million and high-teen tiered royalties of up to 20% of net sales
28 December 2025	Jiangsu Hengrui Pharmaceuticals Co., Ltd. (1276.HK)	The exclusive license to develop, manufacture and commercialize the licensed product	(i) An upfront payment of RMB30 million; (ii) regulatory milestone payment(s), and a commercial milestone payment of up to RMB190 million upon achieving the specified milestones; and (iii) tiered royalty payments of up to 9% based on net quarterly sales

Date of announcement	Company name (stock code)	Nature of the transaction	Pricing policies
16 June 2026	Everest Medicines Limited (1952.HK)	The exclusive license to develop and commercialize a product	(i) An upfront payment of US$10 million; (ii) potential development and regulatory milestone payments of up to US$30 million; (iii) potential sales milestone payments of up to US$300 million; and (iv) potential tiered royalties between 10% to 15% based on future annual net sales

As shown in the table above, it is a common industry practice for the pharmaceutical companies to enter into commercialization and/or cooperation agreements in respect of the development, manufacture and commercialization of certain pharmaceutical products and to receive or pay license fees and royalties based on sales or profits generated from the pharmaceutical products. We noted that there is one Comparable Transaction whose royalties are determined as a percentage of operating profit and its rate of not less than 50% is similar to the Group's profit-sharing arrangement under the HLX01 Agreement.

Since there is only one Comparable Transaction (being Kintor Pharmaceutical Limited) whose royalties are determined as a percentage of profit, and all of the Comparable Transactions do not disclose information about the payments of costs for the manufacturing of pharmaceutical products, we do not have direct reference for comparison purpose in assessing the fairness and reasonableness of the Group's cost-payment arrangement under the HLX01 Agreement. Alternatively, we have compared the proportions of the sales revenue (including revenue from supply of products and sharing of net profits) received by the Group under the HLX01 Agreement in terms of total revenue of HANLIKANG generated by Fosun Pharma and/or its associates, respectively, with the royalties in the Comparable Transactions. As shown in the table above, the royalties as a percentage of the relevant revenue of the Comparable Transactions are in the range of 9% to 30%. Based on our review, we noted that the proportions of sales revenue (including revenue from supply of products and sharing of net profits) received by the Group under the HLX01 Agreement in terms of total revenue of HANLIKANG generated by Fosun Pharma and/or its associates for the years ended 31 December 2024 and 2025 are in the range of 30% to 40%, which are higher than that of the Comparable Transactions. As a higher proportion of sales revenue received by the Group is favourable to the Group, we consider that the pricing policies under the HLX01 agreement are more favourable to the Group than those under the Comparable Transactions.

Furthermore, we have obtained and reviewed the (i) Group's internal breakdown for the transactions contemplated under the HLX01 Agreement in 2024 and 2025 with Fosun Pharma Industrial Development and/or its associates; and (ii) on a random basis, a total of 10 sets of sample transaction documents under the HLX01 Agreement in 2024 and 2025, including framework agreements, sales orders, delivery notes, invoices and payment proofs. Based on our review, we noted that for each separate transaction under the HLX01 Agreement, the Group has properly recorded and calculated the relevant manufacturing costs and sharing of net profit of HANLIKANG in accordance with the pricing policies under the HLX01 Agreement and settled such payments with Fosun Pharma Industrial Development and/or its associates in accordance with the payment terms under the framework agreements. As such, we consider that the transactions conducted under the HLX01 Agreement in 2024 and 2025 were in accordance with its pricing and payment terms.

Taking into account that (i) Fosun Pharma Industrial Development has made milestone payments and fully reimbursed the Group's clinical trial expenditure incurred for HANLIKANG following the execution of the HLX01 Agreement, which showed their continual support on the Group's business since an early stage; (ii) the reasons for and benefits of the revision of annual cap for the collaboration arrangements under the HLX01 Agreement as discussed above; and (iii) the pricing policies under the HLX01 Agreement are more favourable to the Group than those under the Comparable Transactions, we consider that the terms of the HLX01 Agreement are on normal commercial terms which are fair and reasonable.

5. Assessment of the Revised Annual Cap

With reference to the Letter from the Board, the actual amount of the sales revenue (including revenue from supply of products and sharing of net profits) received by the Group under the HLX01 Agreement for the year ended 31 December 2025 and the nine months ended 30 September 2026 amounted to approximately RMB555.3 million and RMB482.8 million, respectively, representing approximately 93.8% and 70.8% of the annual caps in 2025 and 2026, respectively. The Company proposes to revise the Existing Annual Cap of RMB682 million for the year ending 31 December 2026 for the collaboration arrangements under to the HLX01 Agreement to RMB714 million (i.e. the Revised Annual Cap).

In assessing the reasonableness of the Revised Annual Cap under the collaboration arrangements pursuant to the HLX01 Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the Revised Annual Cap, they have taken into account, among others, (i) the historical transaction amounts incurred between the Group and Fosun Pharma and/or its associates (including revenue from supply of products and sharing of net profits) for the years ended 31 December 2024 and 2025 and the nine months ended 30 September 2026; (ii) the historical revenue generated by Fosun Pharma and/or its associates from the sales of HANLIKANG; and (iii) the estimated growth in the sales volume of HANLIKANG in the PRC in the second half of 2026 as compared to the actual sales volume of HANLIKANG in the PRC in the first half of 2026.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the Revised Annual Cap and reviewed the relevant calculations. The Revised Annual Cap is determined based on (i) the expected unit price of HANLIKANG sold by the Group to Fosun Pharma and/or its associates for the year ending 31 December 2026 based on both parties' understanding on the latest market of HANLIKANG and pharmaceutical environment in the PRC; and (ii) the estimated growth in the sales volume of HANLIKANG for the year ending 31 December 2026.

As advised by the management of the Group, the unit price of HANLIKANG sold by the Group to Fosun Pharma and/or its associates for the year ending 31 December 2026 is estimated to be in line with the historical average unit price for the six months ended 30 June 2026, which we consider to be fair and reasonable.

As disclosed in the Letter from the Board, the sales volume of HANLIKANG in the PRC is expected to increase for the year ending 31 December 2026 as a result of the Guangdong regional alliance procurement renewal of HANLIKANG in 2025. The renewed procurement scheme covers all public medical institutions (including military medical institutions) across over 20 alliance regions in the PRC, with medical-insurance-designated private medical institutions and designated pharmacies also being permitted to participate on a voluntary basis. The term of the renewed procurement scheme remains in effect until 31 December 2026, which shall continue to increase the sales volume of HANLIKANG in the PRC in 2026. We understand from the management of the Group that the sales volume of HANLIKANG in the PRC in the second half of 2026 is expected to increase by approximately 19.6% as compared to the actual sales volume of HANLIKANG in the PRC in the first half of 2026 and such growth rate is projected to be in line with the historical growth rate of the rituximab injection sales volume data from the IQVIA CHPA database and the historical growth rate of the sales volume of HANLIKANG in the PRC. In this regard, we have performed market research on rituximab injection in the PRC. According to the latest data from the China Hospital Pharmaceutical Audit (CHPA) of IQVIA, the sales volume of rituximab injection in the PRC has increased from approximately 19.2 million units (100mg/unit) in 2022 to approximately 31.1 million units (100mg/unit) in 2025, representing a compound annual growth rate of approximately 17.4% during the period. For the first half of 2026, the sales volume of rituximab injection in the PRC amounted to approximately 16.6 million units (per 100 mg), representing an increase of approximately 11.4% as compared to the corresponding period in 2025. Established in 1982, IQVIA is a leading global provider of advanced analytics, technology solutions, and clinical research services to the life sciences industry in more than 100 countries. IQVIA CHPA data represents the drug sales market of hospitals with more than 100 beds in the PRC while the actual sales of different drugs may vary from the IQVIA CHPA data to varying degrees due to their different sales distribution channels. In addition, according to Research Nester (source: https://www.researchnester.com/reports/rituximab-market/3315), the global market size of rituximab injection was over US$5.11 billion in 2025 and is expected to exceed approximately US$22.2 billion by 2035, representing a compound annual growth rate of approximately 15.8% during the

forecast period. In view of the rising disposable income, availability of a large patient population for monoclonal antibody cancer treatments and increased focus on healthcare, the Asia Pacific region is expected to show the highest growth rate during the forecast period at approximately 12.1%. Research Nester is a global market intelligence and consulting firm that provides industry analysis, custom research, and strategic advisory services across multiple sectors. It offers data-driven insights, trend analysis, and forecasts covering over 33 industrial domains, including healthcare, automotive, technology, chemicals and energy and serves clients across more than 120 countries, with regional consulting offices located in key markets like the United States, the United Kingdom and Japan. As Fosun Pharma Industrial Development and/or its associates is expected to place a considerable amount of sales orders of HANLIKANG in the fourth quarter of 2026, the Group adopted a slightly higher sales volume growth rate of HANLIKANG than the global and Asia Pacific region's estimated growth rate. We have also obtained and reviewed the actual sales volume of HANLIKANG in 2024 and 2025 and noted that the estimated growth in the sales volume of HANLIKANG in the second half of 2026 is generally in line with the historical growth rate in the sales volume of HANLIKANG in 2025 of approximately 17.9%. Based on the above, we consider the sales volume of HANLIKANG for the year ending 31 December 2026 to be fair and reasonable.

Based on the above, we consider the Revised Annual Cap to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

6. Internal control procedures

The Company has formulated internal control measures and procedures to manage the continuing connected transactions and annual caps under the HLX01 Agreement, the details of which are set out as follow:

(i) the internal control department, internal audit department, board secretary office and marketing and commercial operation department of the Company will conduct regular checks on a monthly basis to review and assess the sales of the relevant products and that the transactions under the HLX01 Agreement are conducted in accordance with the terms of relevant agreements;

(ii) the Group has approved internal guidelines that additional reports and approvals are required for transactions exceeding the proposed annual caps (if applicable) to ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules;

(iii) the Company will obtain and review the monthly sales management reports of the relevant products provided by Fosun Pharma and/or its associates, and conduct online and offline communications with the Fosun Pharma and/or its associates to ensure the accuracy of the net profit of the relevant products (including their revenues and expenses);

(iv) the Company will, on an annual basis, review and collect the relevant transaction rates of similar products in the market or offered by independent third parties to ensure the payments to be received (including revenue from supply of products and sharing of net profits) will be at rates no less favourable than terms offered by independent third parties;

(v) the finance department reports actual transaction amounts to the internal control department, internal audit department, board secretary office and marketing and commercial operation department on a monthly basis, and the risk of exceeding the relevant abovementioned annual caps will be evaluated each month based on such actual transaction amounts. If the estimated annual transaction amounts which are calculated based on the historical transaction amounts and the estimated transaction amounts for the remaining months of the same year under the HLX01 Agreement are expected to exceed the relevant abovementioned annual caps, the relevant business department will liaise with the finance department and board secretary office in advance to initiate an approval application process in relation to the revision of annual caps in order to comply with all applicable requirements under the Group's internal control policy as well as under the Listing Rules; and

(vi) the independent non-executive Directors and auditors of the Company will conduct annual review on the actual execution of the transactions contemplated under the HLX01 Agreement and provide annual confirmations in accordance with the Listing Rules.

In assessing whether the above internal control measures are put in place and effectively implemented, we have obtained and reviewed the aforesaid internal guidelines and monthly sales management reports of HANLIKANG under the HLX01 Agreement from 2024 to 2026. Based on our review, we noted that the actual transaction amounts and execution of net profits sharing under the HLX01 Agreement were properly monitored by the Group. As such, we are of the view that the above internal control measure adopted by the Group for monitoring the transactions contemplated under the HLX01 Agreement are effectively implemented.

Having considered the above, in particular (i) the relevant transaction rates of similar products in the market or offered by independent third parties will be regularly reviewed and collected by the Company to ensure the payments to be received (including revenue from supply of products and sharing of net profits) will be at rates no less favourable than terms offered by independent third parties; (ii) the ongoing monitoring of the transactions under the HLX01 Agreement; and (iii) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the transactions under the HLX01 Agreement as discussed below, we are of the view that the Company's internal control procedures on the HLX01 Agreement are fair and reasonable.

7. Reporting requirements and conditions of the continuing connected transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the transactions contemplated under the HLX01 Agreement (the "**Transactions**") are subject to the following annual review requirements:

(i) the independent non-executive Directors must review the Transactions and confirm in the annual report and accounts that the Transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(ii) the Company must engage its auditors to report on the Transactions every year. The Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group if the Transaction involves the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreements governing the Transactions; and

(d) have exceeded the relevant proposed annual caps;

(iii) the Company must allow, and ensure that the counter-parties to the Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions as set out in paragraph (ii); and

(iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the relevant proposed annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Transactions and the relevant proposed annual caps not being exceeded, we are of the view that appropriate measures are in place to monitor the conduct of the Transactions and assist in safeguarding the interests of the Independent Shareholders.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the revision of annual cap for the collaboration arrangements under the HLX01 Agreement is fair and reasonable, 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 advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the relevant resolution to be proposed at the EGM to approve the revision of annual cap for the collaboration arrangements under the HLX01 Agreement.

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 (HK) Limited 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 ten 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[1]	Approximate percentage in relevant class of shares	Approximate percentage in total shares
Jun Zhu	Interest in controlled entity	H Shares	50,000[2]	0.01%	0.01%
	Beneficial owner	H Shares	20,000[3]	0.01%	0.00%
	Beneficial owner	H Restricted Shares	658,555[3]	0.19%	0.12%
	Beneficial owner	H Share Options	2,250,000[3]	0.65%	0.41%
Tak Young So	Beneficial owner	H Restricted Shares	3,350[4]	0.00%	0.00%
Lik Yuen Chan	Beneficial owner	H Restricted Shares	4,460[5]	0.00%	0.00%
Ruilin Song	Beneficial owner	H Restricted Shares	4,490[6]	0.00%	0.00%
Zhiyong Liu	Beneficial owner	H Restricted Shares	50,000[7]	0.01%	0.01%
	Beneficial owner	H Share Options	100,000[7]	0.03%	0.02%

Interest in shares of the associated corporation of the Company

Name	Name of associated corporation	Nature of interest and capacity	Class	Number of shares	Approximate percentage in relevant class of shares
Xingli Wang	Fosun Pharma	Beneficial owner	A Share Options	281,500	0.01%
	Fosun Pharma	Beneficial owner	H Restricted Shares	656,900	0.12%
Qiyu Chen	Fosun International	Beneficial owner	Ordinary Shares	21,530,400	0.26%
	Fosun International	Beneficial owner	Share Options	54,000,000	0.66%
	Fosun Pharma	Beneficial owner	A Shares	114,075	0.01%
Xiaohui Guan	Fosun International	Beneficial owner	Ordinary Shares	200,000	0.002%
	Fosun International	Beneficial owner	Share Options	2,400,000	0.03%
	Fosun Pharma	Beneficial owner	A Shares	267,743	0.01%
	Fosun Pharma	Beneficial owner	A Share Options	294,200	0.01%
	Fosun Pharma	Beneficial owner	H Shares	25,000	0.005%
	Fosun Pharma	Beneficial owner	H Restricted Shares	686,500	0.12%
Yuqing Chen	Fosun International	Beneficial owner	Ordinary Shares	140,000	0.002%
	Fosun International	Beneficial owner	Share Options	2,800,000	0.03%
	Fosun Pharma	Beneficial owner	H Shares	20,000	0.004%
	Fosun Pharma	Beneficial owner	H Restricted Shares	953,500	0.17%
	Fosun Pharma	Beneficial owner	A Shares	134,000	0.01%
	Fosun Pharma	Beneficial owner	A Share Options	408,600	0.02%
Yi Liu	Fosun Pharma	Beneficial owner	A Shares	15,444	0.0007%
	Fosun Pharma	Beneficial owner	A Share Options	326,900	0.02%
	Fosun Pharma	Beneficial owner	H Shares	20,000	0.004%
	Fosun Pharma	Beneficial owner	H Restricted Shares	762,800	0.14%
	Sisram Medical Ltd	Beneficial owner	Ordinary Shares	140,000	0.03%
Rongli Feng	Fosun Pharma	Beneficial owner	A Shares	50,855	0.002%
	Fosun Pharma	Beneficial owner	A Share Options	163,500	0.01%
	Fosun Pharma	Beneficial owner	H Restricted Shares	381,400	0.07%
Deli Kong	Fosun Pharma	Beneficial owner	A Share Options	21,800	0.001%
	Fosun Pharma	Beneficial owner	H Restricted Shares	50,900	0.01%

Notes:

(1) They are all in long position.

(2) 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.

(3) On 27 June 2025, Dr. Jun Zhu was conditionally granted 750,000 share options under the Share Option Scheme and 750,000 RSUs under the RSU Scheme of the Company. The ordinary resolutions regarding the adoption of the Share Option Scheme and the RSU Scheme of the Company and the grant of RSUs to Dr. Jun Zhu were approved at the extraordinary general meeting of the Company dated 21 July 2025. On 27 June 2026, 187,500 share options and 187,500 RSUs were vested. On 17 July 2026, Dr. Jun Zhu was further granted 1,500,000 share options under the Share Option Scheme. As at the Latest Practicable Date, 2,062,500 share options and 562,500 RSUs granted under the Share Option Scheme and the RSU Scheme remained unvested.

(4) On 29 August 2025, the Board approved the grant of 5,000 RSUs to Mr. Tak Young So. As at the Latest Practicable Date, the 3,350 RSUs granted under the RSU Scheme remained unvested.

(5) On 29 August 2025, the Board approved the grant of 5,000 RSUs to Dr. Lik Yuen Chan. As at the Latest Practicable Date, the 3,350 RSUs granted under the RSU Scheme remained unvested.

(6) On 29 August 2025, the Board approved the grant of 5,000 RSUs to Dr. Ruilin Song. As at the Latest Practicable Date, the 3,350 RSUs granted under the RSU Scheme remained unvested.

(7) On 27 June 2025 and 17 July 2026, Mr. Zhiyong Liu was granted, in aggregate, 100,000 share options under the Share Option Scheme and 50,000 RSUs under the RSU Scheme. The grants on 27 June 2025 were conditional upon the adoption of the Share Option Scheme and the RSU Scheme, which was approved by way of ordinary resolutions at the extraordinary general meeting of the Company held on 21 July 2025. On 27 June 2026, 12,500 share options and 12,500 RSUs were vested. As at the Latest Practicable Date, 87,500 share options and 37,500 RSUs granted under the Share Option Scheme and the RSU Scheme remained unvested.

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 Dr. Xingli Wang, Mr. Qiyu Chen, Mr. Yuqing Chen, Ms. Xiaohui Guan and Dr. Yi Liu holds directorships and/or executive positions with Fosun International and/or its subsidiaries, which indirectly owned as to 63.22% 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 2025, 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 2025, 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 2025, 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 (http://www.hkexnews.hk) and the Company (http://www.henlius.com) for a period of 14 days from the date of this circular (both days inclusive):

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

(ii) 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 32 of this circular;

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

(iv) the HLX01 Agreement; and

(v) this circular.

The biographical details of Mr. Huang are set out below:

Mr. Huang, aged 55, joined Fosun Pharma in February 2026 and currently serves as senior vice president, chief financial officer and co-president of the innovative medicine division of Fosun Pharma.

Prior to joining Fosun Pharma and its subsidiaries, Mr. Huang was primarily engaged in finance-related work. From April 2007 to October 2020, he successively served at Novartis AG (New York Stock Exchange stock code: NVS) as business planning and analysis manager of the U.S. Oncology Business Unit, head of finance for western China, head of Business Processes and Controls for Greater China, head of Business Planning and Analysis for Greater China, and country chief financial officer for South Korea. From October 2020 to February 2025, he served as chief financial officer of Greater China, head of finance of APAC (ex-China), head of finance of the global technical operations, and head of finance of the innovation center at BeOne Medicines Ltd. (Shanghai Stock Exchange stock code: 688235; Stock Exchange stock code: 06160; Nasdaq Stock Market stock code: ONC), during which period he served as head of finance of the Global Commercial of BeOne Medicines Ltd. from June 2023 to February 2025. From May 2025 to January 2026, he served as senior vice president of global corporate development & finance of Ascentage Pharma Group International (Stock Exchange stock code: 06855; Nasdaq Stock Market stock code: AAPG).

Mr. Huang graduated from the Business School of Dowling College in the United States with a master's degree in banking and finance.

The biographical details of Dr. Chen are as follows:

Dr. Chen, aged 48, joined the College of Computer Science and Technology, Zhejiang University in December 2004, where he has successively served as a lecturer, associate professor and professor. Currently, he is a distinguished professor and doctoral supervisor at the College of Computer Science and Technology, Zhejiang University, where he is mainly engaged in research of artificial intelligence, knowledge graphs and natural language processing. Dr. Chen has been honored as a Young and Middle-aged Expert with Outstanding Contributions in Zhejiang Province, a Leading Talent in Science and Technology Innovation under the Special Support Program for High-level Talents in Zhejiang Province, and has been awarded the Second Prize of the Zhejiang Provincial Science and Technology Progress Award. Dr. Chen currently serves as vice president of the Zhejiang Digital Intelligence Technology Research Association, deputy director of the Language and Knowledge Computing Committee of the Chinese Information Processing Society of China, and vice chairman of the Digitalization Branch of China Information Association of Traditional Chinese Medicine.

Dr. Chen obtained his bachelor's degree in Bioengineering from Zhejiang University in June 2000, and his doctoral degree in Computer Science and Technology from Zhejiang University in March 2005.

Dr. Chen has confirmed that, as at the date of this circular, (i) he has satisfied the various factors relating to independence as set out in Rules 3.13(1) to (8) of the Listing Rules; (ii) he has no past or present financial or other interest in the business of the Group or any connection with any core connected person (as defined under Listing Rules) of the Company; and (iii) there are no other factors that may affect his independence.

As at the date of this circular, save as disclosed above, Mr. Huang and Dr. Chen have confirmed that they (i) did not hold any directorships or supervisor positions in any other listed companies in the past three years, nor take up any post in any members of the Group; (ii) did not have any relationship with any Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; and (iii) did not have any interests in the Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to the proposed appointment of non-executive Director and independent non-executive Director that needs to be brought to the attention of the Shareholders, nor is there any other information required to be disclosed pursuant to any requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

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 2:00 p.m. on Monday, 23 November 2026 for the purposes of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 2 November 2026.

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, approve the revision of the annual cap for the collaboration arrangements under the HLX01 Agreement; 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 revision of the annual cap for the collaboration arrangements under the HLX01 Agreement.

2. To consider and approve the resolution in relation to the appointment of Mr. Zhi Huang as a non-executive director of the Company.

3. To consider and approve the resolution in relation to the appointment of Dr. Huajun Chen as an independent non-executive director of the Company.

On behalf of the Board
Shanghai Henlius Biotech, Inc.
Xingli Wang
Chairman

Hong Kong, 2 November 2026

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

Notes:

(1) All resolutions 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 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 at the Company's Board secretary office (for holders of unlisted shares), at 10F, Building B8, 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 2:00 p.m. on Sunday, 22 November 2026) 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, 18 November 2026 to Monday, 23 November 2026 (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 Monday, 23 November 2026 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, 17 November 2026.

(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.