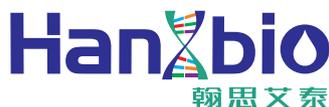


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**Hanx Biopharmaceuticals (Wuhan) Co., Ltd.**  
**翰思艾泰生物醫藥科技（武漢）股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3378)**

**CONTINUING CONNECTED TRANSACTIONS**  
**REVISION OF ANNUAL CAPS**

**REVISION OF ANNUAL CAPS**

Reference is made to the section headed “Connected Transactions” in the Prospectus in relation to, among other things, the Continuing Connected Transactions between the Group and Waterstone Pharmaceuticals.

The Company entered into the Raw Materials Supply Framework Agreement with Waterstone Pharmaceuticals on December 10, 2025, pursuant to which Waterstone Group will supply small molecules to our Group for the development of our ADC products. The Board has reviewed and evaluated the existing continuing connected transactions under the Raw Material Supply Framework Agreement and anticipates that the Group’s demand for the small molecules will exceed its previous projects to the effect that the existing annual caps of the transactions under the Raw Material Supply Framework Agreement will not be sufficient to meet the demand of the Group. Accordingly, the Company intends to increase the annual caps for the year ended December 31, 2026 and the year ended December 31, 2027 to RMB6.5 million and RMB5.0 million, respectively.

**IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Dr. Zhang Faming is one of the controlling shareholders of both Waterstone Pharmaceuticals and the Company. Accordingly, Waterstone Pharmaceuticals is a connected person of the Company. As such, the transactions contemplated under the Raw Material Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As our Group is listed on the Stock Exchange under Chapter 18A of the Listing Rules and has not recorded any revenue from product sales, the calculation of revenue ratio under Rule 14.07 of the Listing Rules will produce an anomalous result, and thus we consider it inapplicable. As an alternative, we have applied a percentage ratio test based on the total expenses for R&D and general and administrative matters of our Group.

Furthermore, as our Company has entered into the HX301 APIs and Stability Testing Services Framework Agreement and the Raw Material Supply Framework Agreement with Waterstone Pharmaceuticals at the same time, they are required to be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, the Company should re-comply with the applicable requirements under Chapter 14A of the Listing Rules when the proposed annual caps for continuing connected transactions are revised. As the highest applicable percentage ratio (other than the profit ratio) of the highest annual caps of the HX301 APIs and Stability Testing Services Framework Agreement and the Raw Materials Supply Framework Agreement, standalone and in aggregate, calculated for the purpose of Chapter 14A of the Listing Rules is expected to be less than 25% and highest annual cap is less than HK\$10,000,000 on an annual basis. Accordingly, the Raw Materials Supply Framework Agreement and the revised annual caps for the year ending December 31, 2026 and the year ending December 31, 2027 are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **REVISION OF ANNUAL CAPS**

Reference is made to the section headed "Connected Transactions" in the Prospectus in relation to, among other things, the continuing connected transactions between the Group and Waterstone Pharmaceuticals.

The Company entered into the Raw Materials Supply Framework Agreement with Waterstone Pharmaceuticals on December 10, 2025, pursuant to which Waterstone Pharmaceuticals and its subsidiary (including Hubei Waterstone, together with Waterstone Pharmaceuticals, the "**Waterstone Group**") will supply small molecules to our Group for the development of our ADC products. The Board has reviewed and evaluated the existing continuing connected transactions under the Raw Material Supply Framework Agreement and anticipates that the Group's demand for the small molecules will exceed its previous projects to the effect that the existing annual caps of the transactions under the Raw Material Supply Framework Agreement will not be sufficient to meet the demand of the Group. Accordingly, the Company intends to increase the annual caps for the year ended December 31, 2026 and the year ended December 31, 2027 to RMB6.5 million and RMB5.0 million, respectively.

A summary of the historical transaction amounts for the transactions as contemplated under the Raw Material Supply Framework Agreement, the existing annual caps for the three years ending December 31, 2027 and the revised annual caps for the year ending December 31, 2026 and the year ending December 31, 2027 are set out in the table below.

	<b>For the year ended December 31, 2025 (RMB)</b>	<b>For the two months ended February 28, 2026 (RMB)</b>
Historical transaction amounts ( <i>note</i> )	552,500	240,000

*Note:* the transaction amount for the period from 1 January 2026 to the date of this announcement did not exceed the existing annual cap for the year ending 31 December 2026.

	<b>For the year ended December 31, 2025 (RMB)</b>	<b>For the year ending December 31, 2026 (RMB)</b>	<b>For the year ending December 31, 2027 (RMB)</b>
Existing annual caps	1,200,000	600,000	600,000

	<b>For the year ending December 31, 2026 (RMB)</b>	<b>For the year ending December 31, 2027 (RMB)</b>
Revised annual caps	6,500,000	5,000,000

The revised annual caps for the year ending December 31, 2026 and the year ending December 31, 2027 are determined with reference to:

- (i) the historical transaction amount;
- (ii) the utilisation rate of the original annual caps having reached approximately 40% as at February 28, 2026;

- (iii) The Group is actively laying out new pipelines for innovative antibody drug conjugate (ADC) products, covering multiple technological directions including bispecific antibody ADCs and single-target ADCs. Among them, key projects such as HX116 (PD-L1 × VEGF BsAb-ADC) have successfully entered the preclinical research phase. Taking into account the R&D progress of the our ADC product candidates, including the research and development of some new ADC products, in particular with the advancement of HX116 (PD-L1 × VEGF BsAb-ADC) and the progress of other new pipelines, the procurement demand for relevant ADC small molecule compounds is expected to increase significantly in both variety and quantity, leading to a rise in the Group’s anticipated demand for the procurement of small molecules from Waterstone Pharmaceuticals, a connected person of the Group;
- (iv) Considering the significant differences in the production costs of different types of small molecules, in particular the high technological innovation of the research and development of the aforesaid new ADC products and our new pipelines for innovative ADC products, the production costs of the small molecules required for such products are substantially higher than those of the small molecules required for the Group’s existing pipeline products, the anticipated procurement price is 4 to 7 times that of the small molecules required for the existing pipeline products, which will also result in a significant increase in the amount of small molecules procured by the Group from the Waterstone Group;
- (v) Meanwhile, affected by the fluctuations in the global supply chain market and the inflationary environment, the overall procurement costs of the Group will also rise. Taking into account any unexpected increase in demand for small molecules, the Group sets aside a 10% buffer above the expected procurement amount and will adhere to the prudent principle and strengthen supply chain management to address cost fluctuations.

Save for the revision of the annual caps for the year ending December 31, 2026 and the year ending December 31, 2027 as disclosed above, all the other principal terms of the Raw Material Supply Framework Agreement as set forth under the section headed “Connected Transactions” in the Prospectus shall remain unchanged, and the Raw Material Supply Framework Agreement shall remain valid and enforceable.

## **Pricing policies**

In order to ensure that the terms of transactions in respect of the procurement of small molecules by our Group from the Waterstone Group under the Raw Material Supply Framework Agreement are fair and reasonable and in line with market practices, and that the terms of transactions will be no less favorable to our Group than the terms of transactions between our Group and Independent Third Parties, our Group has adopted the following measures:

- (a) to have regular contact with the suppliers of our Group (including the Waterstone Group and the Independent Third Parties) to keep abreast of market developments and the price trend of small molecules; and
- (b) to assess, review and compare the quotations or proposals taking into account various factors including quality, payment, flexibility and after-sales services to ensure that the proposed transactions will be consistent with the general interest of our Group and our Shareholders as a whole.

Procurement of small molecules will be priced with reference to market prices of comparable products and services. Our Group implements various internal approval and monitoring procedures, including obtaining quotations on an as-needed basis from other independent suppliers of similar products and services and consider various assessment criteria (including location of the suppliers, price, quality, suitability, payment terms, and time required for the provision and delivery of the products) before entering into any new procurement arrangement with the Waterstone Group, and comparing such quotes obtained with the offer from Waterstone Group.

## **Internal control measures**

In order to ensure that the terms under the Raw Materials Supply Framework Agreement are fair and reasonable, or no less favorable than terms available to or from Independent Third Parties, and are carried out under normal commercial terms, we have adopted the following internal control procedures:

- we have adopted and implemented a management system on connected transactions. Under such a system, the Audit Committee under the Board is responsible for conducting reviews on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee under the Board, the Board and various other internal departments of the Company (including but not limited to the finance department and compliance and legal department) are jointly responsible for evaluating the terms under the Raw Material Supply Framework Agreement, in particular, the fairness of the pricing policies and annual caps thereunder;

- the Audit Committee under the Board, the Board and various other internal departments of our Company also regularly monitor the fulfillment status and the transaction updates under the Raw Material Supply Framework Agreement. In addition, the management of our Company also regularly reviews the pricing policies of the Raw Material Supply Framework Agreement;
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Raw Material Supply Framework Agreement and provide annual confirmation to ensure that in accordance with Rules 14A.55 and 14A.56 of the Listing Rules that the transactions are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the relevant pricing policies;
- when considering the procurement amount of small molecules, our Group will constantly research into prevailing market conditions and practices and make reference to the pricing and terms between the Group and Independent Third Parties for similar transactions, to make sure that the pricing and terms offered by the Waterstone Group from mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties; and
- when considering any renewal or revisions to the Raw Material Supply Framework Agreement, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' meetings (as the case may be), and our independent Directors and Shareholders have the right to consider if the terms of the non-exempt continuing connected transactions (including the proposed annual caps) are fair and reasonable, and on normal commercial terms and in the interests of our Company and our Shareholders as a whole. If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the Raw Material Supply Framework Agreement to the extent that they constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAPS**

As disclosed above, the Group has accelerated the R&D progress of several new ADC products and is actively developing new pipelines for innovative antibody drug conjugate (ADC) products, covering multiple technological directions including bispecific antibody ADCs and single-target ADCs. Among these, a number of key projects have successfully entered the preclinical research phase. With the advancement of the R&D progress of the aforesaid new products and the development of the new pipelines, the procurement demand for the relevant ADC small molecule compounds is expected to witness a significant growth in both variety and quantity. In addition, the production costs of the small molecules required for the new products and new pipelines are relatively high, and meanwhile, affected by fluctuations in the global supply chain market and the inflationary environment, the Group's overall procurement costs have also increased.

Considering the above factors and that the utilisation rate of the existing annual cap for 2026 under the Raw Materials Supply Framework Agreement had reached 40% as at February 28, 2026, the Company expects a substantial increase in the amount of small molecules to be procured from the Waterstone Group, and the existing annual caps for 2026 and 2027 under the Raw Materials Supply Framework Agreement are expected to be insufficient to meet the Company's procurement demand thereunder.

The Company will fully accelerate the preclinical research of its innovative ADC product pipelines in the future, and the response efficiency and supply assurance capability of the raw material supply chain will become a key component in the Group's pipeline progress management. The Waterstone Group has long been engaged in the biopharmaceutical and small molecule pharmaceutical industry. It has strong R&D capabilities in the field of small molecule pharmaceuticals, and its production facilities have passed the GMP inspections of regulatory authorities in overseas countries and the PRC. The Group has been procuring small molecules from the Waterstone Group in the past and will continue to do so, because the Waterstone Group has been providing relevant products and services that meet the safety and quality standards required by the Group. Accordingly, the Company believes that the Waterstone Group is familiar with the Group's safety and quality standards and will be able to meet the Group's demand efficiently and reliably with minimal disruption to the Group's operations and internal processes.

Considering the above factors, the Board expects that the existing annual caps provided for under the Raw Material Supply Framework Agreement will not be sufficient for the year ending December 31, 2026 and the year ended December 31, 2027. The revision of the existing annual caps will enable the Group to continuously conduct the relevant transactions with Waterstone Group for the remaining term of the Raw Material Supply Framework Agreement in compliance with the Listing Rules.

Dr. Zhang Faming is a controlling shareholder of Waterstone Pharmaceuticals and is deemed to have material interest in the Raw Material Supply Framework Agreement and the transactions contemplated thereunder. Therefore, Dr. Zhang Faming had abstained from voting on the relevant Board resolution. Save and except for Dr. Zhang Faming, the Directors confirmed that no other Directors have material interests in the Raw Material Supply Framework Agreement and the transactions contemplated thereunder.

The Directors (excluding Dr. Zhang Faming who is required to abstain from voting on the Board resolution), including the independent non-executive Directors, are of the view that the revision of the existing annual caps for the year ending December 31, 2026 and the year ending December 31, 2027 are made in the ordinary and usual course of business of the Group, are conducted on an arm's length basis and on normal commercial terms between the Company and Waterstone Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is an innovative biotech company, with in-house expertise and experience in structural biology, translational medicine and clinical development for the development of next-generation immunotherapeutics. The Group is principally engaged developing innovative antibody therapeutics based on novel biological mechanisms and differentiated mechanisms of action (MOA).

## **INFORMATION ON WATERSTONE PHARMACEUTICALS AND HUBEI WATERSTONE**

### **Waterstone Pharmaceuticals**

Waterstone Pharmaceuticals is a joint stock company established in the PRC on December 17, 2009 and listed on the NEEQ (stock code: 873938). It is a company principally engaged in the research, development and sales of chemical drugs for metabolic diseases such as diabetes and kidney disease.

### **Hubei Waterstone**

Hubei Waterstone is a company established in the PRC with limited liability on January 31, 2008 and is principally engaged in the production and sales of pharmaceutical chemical raw materials and pharmaceutical intermediates. It is a wholly-owned subsidiary of Waterstone Pharmaceuticals.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Dr. Zhang Faming is one of the controlling shareholders of both Waterstone Pharmaceuticals and the Company. Accordingly, Waterstone Pharmaceuticals is a connected person of the Company. As such, the transactions contemplated under the Raw Material Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As our Group is listed on the Stock Exchange under Chapter 18A of the Listing Rules and has not recorded any revenue from product sales, the calculation of revenue ratio under Rule 14.07 of the Listing Rules will produce an anomalous result, and thus we consider it inapplicable. As an alternative, we have applied a percentage ratio test based on the total expenses for R&D and general and administrative matters of our Group.

Furthermore, as our Company has entered into the HX 301 Active Pharmaceutical Ingredients Supply and Stability Testing Services Framework Agreement (the “**HX301 APIs and Stability Testing Services Framework Agreement**”) and the Raw Material Supply Framework Agreement with Waterstone Pharmaceuticals at the same time, they are required to be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.



“Audit Committee”	the audit committee of the Company comprising three Directors, namely Mr. Chen Qifeng (陳奇峰), Mr. Wong Sai Hung (王世雄) and Dr. Zhang Qiongguang (張瓊光), and is chaired by Mr. Chen Qifeng
“Board”	the board of Directors
“Company”	Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (翰思艾泰生物醫藥科技(武漢)股份有限公司), a joint stock company established in the PRC with limited liability on 19 December 2014 and the H Shares of which are listed on the Stock Exchange (stock code: 3378)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hubei Waterstone”	Hubei Waterstone Biopharmaceutical Technology Co., Ltd. (湖北華世通生物醫藥科技有限公司), a company established in the PRC with limited liability on January 31, 2008
“Independent Third Party(ies)”	a person or entity who is not considered as a connected person of our Company under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEEQ”	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated December 15, 2025
“Raw Materials Supply Framework Agreement”	the raw materials supply framework agreement entered into by the Company and Waterstone Pharmaceuticals on December 10, 2025
“RMB”	Renminbi, the lawful currency of the PRC

“Shares”	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Waterstone Pharmaceuticals”	Waterstone Pharmaceuticals (Wuhan) Co., Ltd. (中美華世通生物醫藥科技(武漢)股份有限公司), a company established in the PRC on December 17, 2009, listed on the NEEQ (stock code: 873938) with Dr. Zhang as one of the controlling shareholders
“%”	per cent

*In this announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “continuing connected transaction(s)”, “controlling shareholder(s)”, “percentage ratio(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

By Order of the Board  
**Hanx Biopharmaceuticals (Wuhan) Co., Ltd.**  
**Dr. ZHANG Faming**  
*Chairman and Executive Director*

Hong Kong, March 27, 2026

*As at the date of this announcement, the Board comprises (i) Dr. Zhang Faming, Dr. Henry Qixiang Li, Mr. Liu Min and Ms. Xiao Jieyu as executive Directors; (ii) Dr. Li Jian as a non-executive Director; and (iii) Dr. Bi Honggang, Mr. Chen Qifeng, Mr. Wong Sai Hung and Dr. Zhang Qionguang as independent non-executive Directors.*