Jiangsu Hengrui Pharmaceuticals Co., Ltd.

江蘇恒瑞醫藥股份有限公司

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

(Stock Code: 1276)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Directors**") of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2025, together with the comparative figures for the corresponding period in 2024.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

During the Reporting Period, the Group recorded the following unaudited results:

- Revenue was RMB15,761.2 million, representing an increase of 15.9% compared with the corresponding period of the previous year;
- Revenue from sales of innovative drugs and licensing revenue amounted to RMB9,560.9 million, representing an increase of 26.8% compared with the corresponding period of the previous year, accounting for 60.7% of our revenue. In particular, revenue from sales of innovative drugs amounted to RMB7,569.8 million, accounting for 48.0% of our revenue and 55.3% of our drug sales revenue respectively;
- Aggregate R&D investments was RMB3,871.2 million. In particular, R&D expenses amounted to RMB3,227.9 million, representing an increase of 6.3% compared with the corresponding period of the previous year;
- Profit for the period was RMB4,454.7 million, representing an increase of 29.9% compared with the corresponding period of the previous year. In particular, profit attributable to shareholders of the company amounted to RMB4,450.1 million, representing an increase of 29.7% compared with the corresponding period of the previous year; and
- Basic earnings per share was RMB0.70, representing an increase of 29.6% compared with the corresponding period of the previous year.

The increase in revenue, profit and basic earnings per share during the Reporting Period was primarily due to the increase in the revenue from the sales of innovative drugs and licensing revenue.

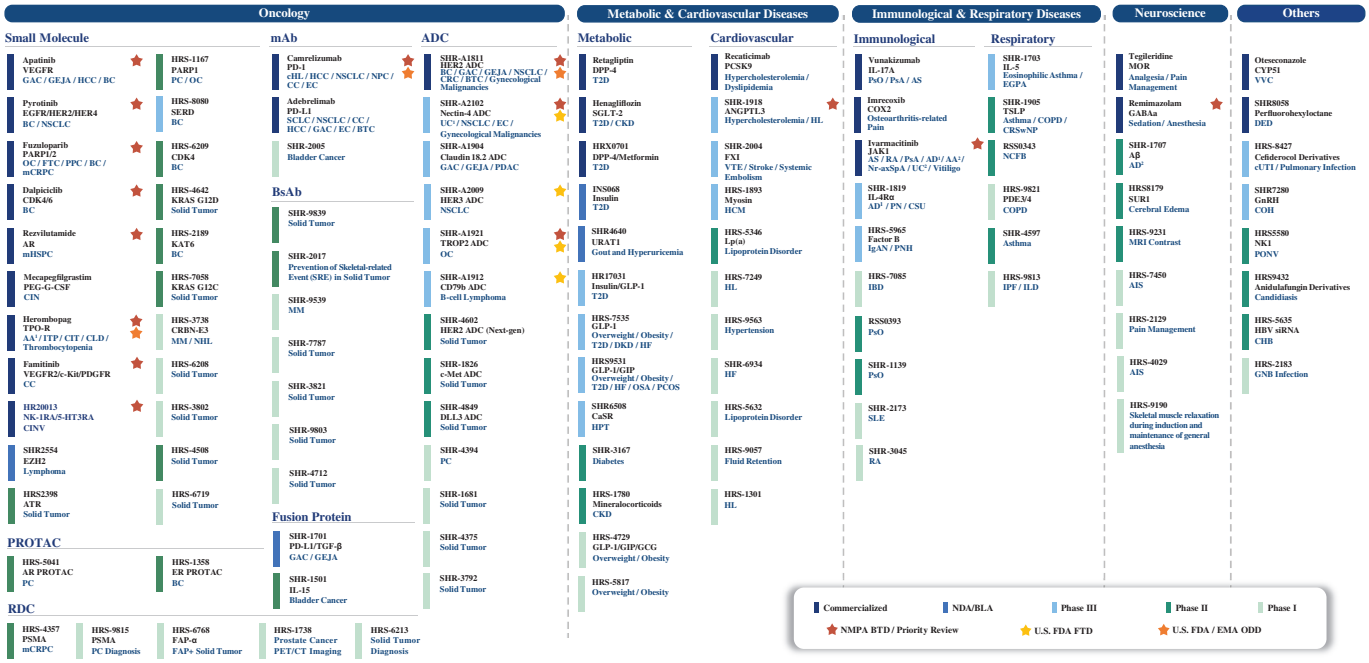
CORPORATE OVERVIEW

Hengrui Pharma is a leading innovative global pharmaceutical company rooted in China. The Company has been ranked among one of the global Top 50 pharmaceutical companies by Pharm Exec for seven consecutive years since 2019. According to the *Pharma R&D Annual Review 2025* published by Citeline (an internationally renowned consulting firm) in 2025, the Company ranked second globally in terms of the number of self-developed drug pipelines. Furthermore, according to the "2024 Hurun China 500" list (《2024胡潤中國500強》), the Company ranked as the 23rd most valuable China-based non-state-owned enterprise. The Company has also ranked first among the "*top of R&D-driven Pharmaceutical Companies in China*" (中國醫藥研發產品線最佳工業企業) for 12 times by the China National Pharmaceutical Industry Information Center (中國醫藥工業信息中心). In recognition of its outstanding performance in technological innovation and achievements in the field of pharmaceutical R&D, the Company was named in Fortune China's inaugural "2024 Fortune Tech 50" (2024年《財富》中國科技50強) list.

The Company is principally engaged in the R&D, manufacture and sale of pharmaceutical products. Adhering to a patient-oriented philosophy, the Company is dedicated to the R&D and promotion of innovative drugs, with the objective of addressing unmet clinical needs.

The Company possesses industry-leading and fully-integrated pharmaceutical platforms, which have been deployed by the Company proactively and extensively across multiple therapeutic areas, driving their in-depth advancement. Notably, the Company's robust oncology R&D pipeline covers a broad spectrum of research areas, including kinase inhibitors, ADCs, immuno-oncology, hormone receptor modulators and supportive care. By focusing on the development of combinatorial/sequential therapies designed for multiple targets, the Company aims to enhance response rates and prolonged therapeutic effect of its products. Additionally, the Company has established diversified strategic pillars in metabolic and cardiovascular diseases, immunology and respiratory diseases and neuroscience to support its long-term growth strategy.

OUR PIPELINE ACROSS THERAPEUTIC AREAS



Notes:

1. This is a non-exhaustive list, with data statistics as of the end of the Reporting Period;

2. The clinical stage of each product/product candidate represents the clinical stage of its most advanced indication(s);

3. The time period for obtaining regulatory pathway designations: 2018 to the end of the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

In the first half of 2025, China's pharmaceutical industry entered a new phase of high-quality development, propelled by deepening healthcare reforms and technological innovation. The comprehensive policy framework supporting innovative drugs has been progressively implemented, accompanied by continued optimization of NRDL negotiation rules and accelerated drug evaluation and approval processes. These have collectively fostered a favorable external environment for industry transformation. Domestically, R&D activities in innovative drugs have significantly intensified, whilst out-licensing collaborations with international institutions have gained momentum, substantially elevating the global recognition of China's innovative drug assets. The Company maintains its dual-pillar strategy of technological innovation and globalization, which has yielded sustained innovation outcomes and stable financial performance.

Business Highlights

For the first half of 2025, we recorded revenue of RMB15,761.2 million, representing a year-over-year increase of 15.9%. Our profit for the period attributable to shareholders of the company amounted to RMB4,450.1 million, representing a year-over-year increase of 29.7%. The Company continues to intensify innovation efforts with sustained high-level R&D investments. During the Reporting Period, our aggregate R&D investments reached RMB3,871.2 million, including R&D expenses amounting to RMB3,227.9 million.

1. Rapid innovation-to-value conversion, innovative drug sales driving business growth

In the first half of 2025, we generated RMB9,560.9 million in revenue from sales of our innovative drugs and licensing revenue, representing 60.7% of our revenue, of which revenue from sales of innovative drugs reached RMB7,569.8 million. Innovative drugs included in the NRDL, such as rezvilutamide, dalpiciclib and henagliflozin, have precisely addressed unmet clinical needs. The remarkable clinical data of these drugs has been extensively verified in real-world settings, with their clinical value gaining increasing recognition amongst medical practitioners and patients, driving robust revenue growth. The early commercialized innovative drugs of the Company, including imrecoxib, remimazolam, pyrotinib and fuzuloparib, have contributed to the Company's sustained revenue growth in drug sales, thanks to the gradual accumulation of evidence-based medical research and the continuous approval for new indications post-drug commercialization, as substantiated by broader application domains. Innovative products, such as apatinib, mecapegfilgrastim and herombopag also delivered growth during the Reporting Period. Certain innovative products of the Company have yet to reach their full commercial potential, due to factors including the short track record since market launch, or current non-inclusion in the NRDL. Powered by medicine and guided by market demand, the Company will continue to focus on enhancing market penetration and commercialization of excellent innovative products, with the aim to generate stronger future growth momentum.

2. Globalization of innovative drugs yielded remarkable results, out-licensing emerged as a new driver for performance growth

Out-licensing of our innovative drugs has become an established component of the Company's business operations, forming a material portion of our operating revenue. During the Reporting Period, the Company recorded upfront payments received from out-licensing agreements as revenue, including US$200.0 million from Merck Sharp & Dohme and US$75.0 million from IDEAYA Biosciences. These payments contributed significantly to the enhancement of the Company's operational performance metrics.

3. Centralized procurement of generic drugs faces challenges, high-quality generic products have filled the gap to achieve moderate performance gain

Whilst revenue from generic drugs sales subject to Centralized procurement programs continued to show a slight decline, the Company's high-quality generic products, such as bupivacaine liposome injectable suspension, and its first U.S.-approved generic product, paclitaxel for injection (albumin bound), demonstrated relatively strong growth during the Reporting Period. These have contributed to an overall modest revenue increase in the Company's generic drug business segment during the Reporting Period.

Major Achievements During the Reporting Period

Our Operational Progress

During the Reporting Period, the Company has all along adhered to its original philosophy of "Accelerating Innovative Product Growth and Propelling Global Market Penetration" (加速創新產品增長, 推進全球化商業布局) amidst evolving internal and external landscapes and challenges. The Company has maintained relentless momentum in accelerating R&D and market-entry for innovative therapies, and actively pursued licensing partnerships for its innovative products worldwide. It has implemented comprehensive high-quality compliance frameworks and perfected scientific management systems to support sustainable growth.

Research and Development Progress of Our Products During the Reporting Period

Oncology Non-oncology

Progress during the Reporting Period	Drug name/Code	Target(s)	Mono/Combo	Indication(s)	Phase I	Phase II	Phase III	NDA/BLA
NDA accepted (5 items)	Insulin sudelidec	Insulin	Mono	Type 2 diabetes	China			
	Ruzinurad	URAT1	Mono	Primary gout with hyperuricemia	China			
	SHR0302	JAK1	Mono (alkaline ointment)	Mild-to-moderate atopic dermatitis	China			
	Atropine eye drops	M-receptor blocker	Mono	Delaying myopia in children	China			
	Dalpiciclib	CDK4/6i	Combo	Adjuvant therapy for hormone receptor-positive and HER2-negative breast cancer	China			
Entry into Phase III (10 items)	HRS-7535	GLP-1 (oral)	Mono	Overweight or obesity	China			
	HRS9531	GLP-1/GIP (injectable)	Mono	Obstructive sleep apnea with obesity	China			
			Mono	Type 2 diabetes (poor basal insulin control)	China			
	HRS-1893	Myosin inhibitor	Mono	Obstructive hypertrophic cardiomyopathy	China			
	HRS-5965	Factor B	Mono	IgA nephropathy	China			
	Vunakizumab	IL-17A	Mono	Non-radiographic axial spondyloarthritis	China			
	SHR-2004	FXI	Mono	Prevention of venous thromboembolism after total knee arthroplasty	China			
	Trastuzumab rezetecan	HER2 ADC	Mono	HER2-expressing platinum-resistant ovarian cancer	China			
	SHR-A1912	CD79b ADC	Combo	Relapsed and refractory diffuse large B-cell lymphoma	China			
	HRS-8080	SERD	Mono	Locally advanced or metastatic breast cancer after endocrine therapy	China			

Progress during the Reporting Period	Drug Name/Code	Target(s)	Mono/Combo	Indication(s)	Phase I	Phase II	Phase III	NDA/BLA
Entry into Phase II (22 items)	HRS-7535	GLP-1 (oral)	Mono	Obesity with heart failure with preserved ejection fraction (HFpEF)	China			
	HRS9531	GLP-1/GIP (oral)	Mono	Obesity	China			
	HRS-5346	Lp(a) inhibitor	Mono	Lipoprotein disorders	China			
	SHR-1819	IL-4R α	Mono	Atopic dermatitis (AD) in children and adolescents	China			
	SHR0302	JAK1	Mono (alkaline gel)	Non-segmental vitiligo	China			
	SHR-1139	-	Mono	Plaque psoriasis	China			
	RSS0393	-	Mono	Plaque psoriasis	China			
	RSS0343	-	Mono	Non Cystic-Fibrosis Bronchiectasis	China			
	SHR-4597	-	Mono	Asthma	China			
	SHR-1905	TSLP	Mono	Asthma in adolescents	China			
	Remimazolam	GABAα	Mono	Sedation for general anesthesia in surgery on children and adolescents	China			
	HRS-8427	Cefiderocol derivatives	Mono	Hospital-acquired bacterial pneumonia and ventilator-associated bacterial pneumonia	China			
	HRS-1893	Myosin inhibitors	Mono	Non-obstructive hypertrophic cardiomyopathy (HCM)	China			
	SHR-A2102	Nectin-4 ADC	Combo (adebrelimab)	Perioperative non-muscle invasive bladder cancer	China			
	SHR-A2102	Nectin-4 ADC	Combo (almonertinib + adebrelimab)	EGFR-mutant NSCLC	China			
	SHR-1826	c-Met ADC	Combo (adebrelimab/SHR-8068/bevacizumab)	Advanced NSCLC	China			
	SHR-4849	DLL3 ADC	Combo	Advanced malignant solid tumors	China			
	SHR-2017	-	Mono	Bone metastases from solid tumors (alleviation of pain at bone metastatic sites, delay or prevention of Skeletal-related Event (SREs))	China			
	HRS-7058	KRAS G12C	Combo	Advanced solid tumors	China			
	HRS-7058	KRAS G12C	Combo	Colon cancer	China			
	HRS-4508	-	Mono	Advanced malignant solid tumors	China			
	Trastuzumab rezetecan	HER2 ADC	Combo	HER2+ locally advanced or metastatic Biliary Tract Cancer (BTC)	China			

Progress during the Reporting Period	Drug Name/Code	Target(s)	Mono/Combo	Indication(s)	Phase I	Phase II	Phase III	NDA/BLA
Entry into Phase I for the first time (15 items)	HRS-5817	-	Mono	Overweight/obesity	China			
	HRS-1301	-	Mono	Hyperlipidemia	China			
	SHR-3045	-	Mono	Rheumatoid arthritis	China			
	HRS-4029	-	Mono	Acute ischemic stroke	China			
	HRS-9190	-	Mono	Skeletal muscle relaxation during induction and maintenance of general anesthesia	China			
	SHR-3792	-	Mono	Advanced malignant solid tumors	China			
	SHR-9803	-	Mono	Advanced malignant solid tumors	China			
	SHR-4712	-	Mono	Advanced malignant tumors	China			
	HRS-1738	-	Mono	Prostate cancer PET/CT imaging	China			
	HRS-6213	-	Mono	Solid tumor diagnosis	China			
	HRS-6719	-	Mono	Advanced malignant solid tumors	China			
	SHR-4394	-	Mono	Prostate cancer	China			
	HRS-3802	-	Mono	Advanced malignant solid tumors	China			
	SHR-4375	-	Mono	Advanced malignant solid tumors	China			
	HRS-6768	-	Mono	Advanced malignant solid tumors	China			

Research and Development

Technology Platforms

During the Reporting Period, the Company continued to enhance its sophisticated technology platforms, including PROTACs, peptides, monoclonal antibodies, bispecific antibodies, multi-specific antibodies, ADC, DAC, APC, AOC, and radioligand therapies platforms. The Company has also achieved preliminary progress in building a platform for new molecular modalities and is actively expanding into the realm of AI-driven drug R&D platforms. Furthermore, the Company has established the "Hengrui-LingShu" platform and bioinformatics platform to streamline various aspects of its R&D process, including drug discovery, molecular design, drug property prediction and optimization.

R&D Progress

During the Reporting Period, 15 self-developed innovative molecules from the Company first reached clinical stage, comprising small-molecule chemical drugs, antibodies and ADCs spanning multiple therapeutic areas including oncology, metabolic and cardiovascular diseases, and immunological and respiratory diseases. While maintaining its strong focus on oncology, the Company's R&D system has strategically diversified its pipeline to include chronic disease treatments. Concurrently, the Company continues to optimize, upgrade, and innovate its existing product portfolio to strengthen its foundation for sustainable growth. To date, the Company's ADC platform has successfully advanced over 10 novel and differentiated ADC molecules into clinical trials, amongst which, the Company's trastuzumab rezetecan (SHR-A1811) was included in the list of breakthrough therapeutic drugs (突破性治療品種名單) by the CDE for nine indications.

The Company accelerated clinical trials of its innovative drug candidates, with 12 innovative outcomes approved for marketing and advancements across multiple R&D pipelines. During the Reporting Period, the Company (including subsidiaries accounted for in the financial statements) obtained marketing approvals for six Class 1 innovative drugs, including: recaticimab for injection, ivarmacitinib sulfate tablets, retagliptin phosphate and metformin hydrochloride tablets (I)/(II), trastuzumab rezetecan for injection, famitinib malate capsules, and fosrolapitant and palonosetron hydrochloride for injection. In addition, six new indications were approved for marketing, including: ivarmacitinib sulfate tablets for three additional indications (rheumatoid arthritis, atopic dermatitis, and alopecia areata), camrelizumab for injections for one additional indication (in combination with famitinib for second-line cervical cancer treatment), Vunakizumab Injection for one additional indication (ankylosing spondylitis), and tegileridine fumarate injection for one additional indication (moderate-to-severe pain after orthopedic surgery). During the Reporting Period, the Company's R&D pipeline demonstrated progress: five marketing applications were accepted by the NMPA, 10 clinical studies advanced to Phase III clinical trials, 22 clinical studies progressed to Phase II clinical trials, and 15 innovative products first advanced to Phase I clinical trials. For details of our product pipeline, please refer to the section headed "Management Discussion and Analysis – Our Products" of this announcement.

During the Reporting Period, the Company made steady progress in its marketing authorization applications (MAA) for multiple products in the European Union, and is actively engaging with the U.S. FDA regarding submission of the Company's biologics license application (BLA) for the re-commercialization of its camrelizumab. The Company also made an application to the U.S. FDA for the orphan drug designation of trastuzumab rezetecan (SHR-A1811) in combination with adebrelimab (SHR-1316) for the treatment of gastric cancer or gastroesophageal junction adenocarcinoma, and has recently received approval from the U.S. FDA. In the future, the Company will continue to expand its global R&D footprint and enrich its innovative product pipeline through multiple approaches, including in-house R&D programs, strategic collaborations and targeted in-licensing arrangements.

The Company has made orderly progress in product registration and regulatory filings. During the Reporting Period, the Company obtained 12 manufacturing authorizations for innovative drug formulations and four manufacturing authorizations for generic drug formulations. In addition, the Company secured 62 clinical trial approvals for innovative drugs, including two clinical trials added to the list of breakthrough therapeutic drugs.

The Company has maintained an uninterrupted 15-year record of presenting major clinical research studies at the annual meeting of the American Society of Clinical Oncology (ASCO). At the 2025 ASCO annual meeting, the Company achieved notable recognition with a total of 72 selected studies. These selected studies comprised four oral reports, five presentations at the rapid oral abstract session, 27 poster presentations, and 36 online publications. The research presentations covered more than 10 oncology treatment fields, including gastrointestinal tumors, breast cancer, lung cancer, gynecological malignancies, urological tumors, melanoma, head and neck cancer, sarcoma, nasopharyngeal carcinoma, hematologic tumors, and desmoid tumors.

At the 2025 American Diabetes Association (ADA) Annual Meeting, the Company presented nine major research studies, including one oral report and eight poster presentations.

Intellectual Property

The Company has continued to maintain and streamline its patent applications. During the Reporting Period, the Company filed 255 new patent applications in the Greater China region and 33 new PCT applications internationally, whilst obtaining 41 issued patents in the Greater China region and 44 issued patents in other jurisdictions. As of the end of the Reporting Period, the Company had cumulatively filed a total of 2,864 invention patents in the Greater China region and 737 PCT patent applications, and owned 1,125 issued invention patents granted in the Greater China region and 797 issued patents across overseas markets such as Europe, the U.S. and Japan. These patents provide comprehensive, long-lifecycle intellectual property protection for our products, covering novel drug compounds, protein molecular structures, preparation methods, therapeutic applications and formulation technologies.

R&D Publications

The Company remains committed to exploring innovative therapeutic solutions, demonstrating the clinical value of "China-originated drugs" to the world. During the Reporting Period, 173 major research studies related to the Company's products gained international recognition. These research studies were successively published in world-leading scientific journals, including the Journal of the American Medical Association (JAMA), Annals of Oncology, Cancer Cell, Journal of Clinical Oncology, The Lancet Oncology, etc., with a cumulative impact factor of 1,351 points, including 17 high-impact research papers (impact factor ≥20 points). This has reflected the Company's expanding global academic influence, as the Company's compelling clinical data from innovative drugs increasingly meet the rigorous standards of authoritative international scientific journals.

Collaboration and Licensing Arrangements

During the Reporting Period, in March 2025, the Company entered into an agreement with Merck Sharp & Dohme, granting an exclusive worldwide license of the Company's lipoprotein(a) (Lp(a)) oral small molecule project, HRS-5346, to the counterparty worldwide outside of the Greater China region to develop, manufacture and commercialize HRS-5346. Merck Sharp & Dohme is required to pay to the Company an upfront payment of US$200.0 million, development, regulatory and commercialization-related milestone payments of up to US$1,770.0 million, and corresponding sales royalties. In April 2025, the Company entered into an agreement with Merck KGaA, Darmstadt, Germany, out-licensing the exclusive rights to commercialize the Company's oral GnRH receptor antagonist project, SHR7280, to the counterparty in the mainland China region (excluding Hong Kong, Macau and Taiwan), and a right of first negotiation in territories outside the licensed region. Merck KGaA, Darmstadt, Germany shall pay to the Company an upfront payment of EUR15.0 million, certain milestone payments upon NMPA's regulatory approval and double-digit royalties based on actual annual net sales.

Sales and Distribution

The Company continues to strengthen its commercialization infrastructure and expand sales channels for its innovative drugs. As of the end of the Reporting Period, the Company's sales network covered over 25,000 hospitals and over 200,000 offline retail pharmacies spanning over 30 provincial-level administrative regions in China. In addition to offline retail pharmacies, the Company's professional prescription drug sales team also covered all mainstream online pharmacy platforms. Furthermore, the Company has established a primary care market structure and implemented reasonable expansion strategies for market penetration according to market potential and product strengths. As of today, the Company's network expanded to over 1,500 community healthcare access points, and involved nearly 20,000 medical practitioners in our medical education activities, strengthening the Company's brand influence in primary care markets.

Our Products

The Company continues to execute its "technology and innovation-driven" development strategy, with a portfolio of 23 new molecular entity drugs (Class 1 innovative drugs) and four other innovative drugs (Class 2 innovative drugs) approved for marketing in China. Amongst the Company's commercialized innovative drugs portfolio, six Class 1 Innovative drugs were commercialized during the Reporting Period (see table below for details), securing the Company's industry-leading position in innovation drugs output. The Company has established a self-reinforcing innovative drug R&D ecosystem where the commercialization, clinical trial, and development of innovative drugs proceed smoothly in successive virtuous cycles, exemplifying the Company's formidable R&D capabilities.

Introduction of the Company's Six Class 1 Innovative Drugs Commercialized During the Reporting Period

Product Time of First Approval	Target (Modality)	Approved Indication(s)	Pictures of Product
Therapeutic Area: Oncology			
Trastuzumab rezetecan (AiWeiDa®) **May 2025**	HER2 (ADC)	• Unresectable, locally advanced or metastatic non-small cell lung cancer (NSCLC) in adult patients with HER2 (ERBB2) activating mutations who have previously received at least one systemic therapy	
Famitinib (AiBiTe®) **May 2025**	VEGFR2/ c-kit/PDGFR (small molecule)	• Combo with camrelizumab injection for relapsed or metastatic cervical cancer patients who have previously failed platinum-containing chemotherapy without receiving bevacizumab treatment	
Fosrolapitant and Palonosetron Hydrochloride (RuiTanNing®) **May 2025**	NK-1RA/5 HT3RA (small molecule)	• Prevention of acute and delayed nausea and vomiting induced by highly emetogenic chemotherapy (HEC) in adults	
Therapeutic Area: Metabolic and Cardiovascular Diseases			
Retagliptin Phosphate and Metformin Hydrochloride Tablets (RuiLinTang®) **May 2025**	DPP-4/ Metformin (small molecule)	• To improve glycemic control in adult patients with type 2 diabetes who are suitable for treatment with retagliptin phosphate and metformin hydrochloride, in combination with diet control and exercise	
Recaticimab (AiXinAn®) **January 2025**	PCSK9 (mAb)	• Combo (with statin, or with statin and other lipid-lowering therapies) for treatment of primary hypercholesterolemia (including heterozygous familial and non-familial hypercholesterolemia) and mixed dyslipidemia; and • Monotherapy for non-familial hypercholesterolemia and mixed dyslipidemia	
Therapeutic Area: Immunological & Respiratory Diseases			
Ivarmacitinib (AiSuDa®) **March 2025**	JAK1 (small molecule)	• Treatment for adult patients with active ankylosing spondylitis who have shown inadequate efficacy or intolerance to one or more tumor necrosis factor (TNF) inhibitors • Treatment for adult patients with moderate-to-severe active rheumatoid arthritis who have shown inadequate efficacy or intolerance to one or more TNF inhibitors • Treatment for adult patients with moderate-to-severe atopic dermatitis who showed inadequate response or intolerance to topical treatment or other systemic therapies • Treatment for adult patients with severe alopecia areata	

FINANCIAL REVIEW

RESULT OF OPERATIONS

Revenue

Our revenue increased by 15.9% from RMB13,600.7 million for the six months ended June 30, 2024 to RMB15,761.2 million for the six months ended June 30, 2025. The increase in our revenue was primarily attributable to (i) the growth of innovative drugs sales; and (ii) the increase of licensing revenue, of which US$200.0 million was received from Merck Sharp & Dohme and US$75.0 million was received from IDEAYA Biosciences during the Reporting Period.

During the Reporting Period, we generated revenue primarily from drug sales and licensing of our products, which accounted for 99.5% of our total revenue, as compared with 99.4% for the six months ended June 30, 2024. Revenue generated by our innovative drugs sales and licensing accounted for 60.7% of our total revenue, of which revenue from sales of innovative drugs accounted for 55.3% of our drug sales during the Reporting Period, as discussed in the section headed "Management Discussion and Analysis – Business Highlights" above.

Administrative, Selling and Distribution Expenses

Our administrative, selling and distribution expenses increased by 10.9% from RMB5,227.7 million for the six months ended June 30, 2024 to RMB5,799.3 million for the six months ended June 30, 2025, which was consistent with the increase in revenue of drug sales. Administrative, selling and distribution expenses as a percentage of our revenue decreased from 38.4% for the six months ended June 30, 2024 to 36.8% for the six months ended June 30, 2025.

Research and Development Expenses

Our research and development expenses increased by 6.3% from RMB3,037.8 million for the six months ended June 30, 2024 to RMB3,227.9 million for the six months ended June 30, 2025, primarily due to an increase in expenses spent on the design and clinical trial activities in connection with the clinical trials of innovative products under development. Research and development expenses as a percentage of our revenue decreased from 22.3% for the six months ended June 30, 2024 to 20.5% for the six months ended June 30, 2025.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 29.9% from RMB3,428.1 million for the six months ended June 30, 2024 to RMB4,454.7 million for the six months ended June 30, 2025. Our net profit margin, which represents profit for the period as a percentage of total revenue, increased from 25.2% for the six months ended June 30, 2024 to 28.3% for the six months ended June 30, 2025.

Total assets

Our total assets increased by 25.4% from RMB50,135.6 million as of December 31, 2024 to RMB62,893.5 million as of June 30, 2025, among which cash and bank balances increased by 45.5% from RMB24,802.5 million as of December 31, 2024 to RMB36,094.0 million as of June 30, 2025, and our net assets increased by 28.1% from RMB46,090.3 million as of December 31, 2024 to RMB59,029.8 million as of June 30, 2025, primarily attributable to the proceeds raised from the Global Offering of the Company's H Shares.

Net Cash Flows From Operating Activities

Our net cash flows from operating activities for the six months ended June 30, 2025 were RMB4,300.5 million, representing an increase of RMB1,267.7 million, as compared with the corresponding period of the previous year, primarily contributed by the increasing revenue from sales of innovative drugs and the licensing revenue received during the Reporting Period.

Net Cash Flows Used In Investing Activities

Our net cash flows used in investing activities for the six months ended June 30, 2025 were RMB1,084.7 million, representing a decrease of RMB438.9 million, as compared with the corresponding period of the previous year, primarily contributed by a decrease in cash payments for structured deposits investments during the Reporting Period.

Net Cash Flows From Financing Activities

Our net cash flows from financing activities for the six months ended June 30, 2025 were RMB8,039.5 million, primarily attributable to the proceeds received from the Global Offering of the Company's H Shares during the Reporting Period.

PROSPECTS

In the second half of 2025, the Company will navigate evolving market landscapes by upholding its value of "Innovation as Our Soul, Compliance as Our Lifeblood" (創新是靈魂、合規是生命) and its patient-centered approach. Built upon the Company's "Compliance, Innovation, and Talent" framework as its key workstreams, the Company intends to focus on the following key strategic areas.

With respect to sales, the Company is committed to ensuring quality and compliance across its sales activities and strengthening its integrated clinical-commercial model. The Company plans to continue to leverage its leading position in oncology and analgesia (pain management) whilst accelerating its expansion into new areas, such as endocrinology and autoimmunity, and through new retail and primary care distribution channels. To boost high-quality sales, the Company will be dedicated to developing blockbuster products, and intends to achieve this by optimizing the full lifecycle management and resource allocation of our innovative drugs.

With respect to R&D, the Company will continue to advance the development of its technology platforms, while efficiently utilizing R&D resources to enhance innovation efficiency and product differentiation, and accelerate market entry of its innovative drug candidates. By proactively entering into strategic collaborations with international partners, while exploring overseas R&D footprint, the Company aims to fully realize the global market potential of its products.

With respect to operational management, the Company aims to strengthen its operational practices, optimize resource allocation and advance digital and IT transformation initiatives, in order to enhance its operational efficiency and capabilities. The Company's talent strategy will focus on recruiting top-notch talent, upgrading and developing leadership pipeline, reinforcing executive accountability, strengthening performance evaluations and accelerating merit-based career advancement.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	Notes	For the six months ended June 30,	
		2025	2024
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
REVENUE	*4*	**15,761,194**	13,600,734
Cost of revenue		**(2,114,962)**	(1,873,304)
Gross profit		**13,646,232**	11,727,430
Other income and gains	*4*	**603,801**	593,384
Selling and distribution expenses		**(4,389,305)**	(3,938,215)
Research and development expenses		**(3,227,933)**	(3,037,754)
Administrative expenses		**(1,410,033)**	(1,289,446)
Other expenses	*5*	**(118,697)**	(266,110)
Finance costs		**(11,663)**	(3,314)
Share of losses of associates		**(41,467)**	(34,377)
PROFIT BEFORE TAX	*6*	**5,050,935**	3,751,598
Income tax expenses	*7*	**(596,264)**	(323,468)
PROFIT FOR THE PERIOD		**4,454,671**	3,428,130
Attributable to:			
Owners of the parent		**4,450,107**	3,431,746
Non-controlling interests		**4,564**	(3,616)
		4,454,671	3,428,130
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT FOR THE PERIOD			
Basic (RMB)		**0.70**	0.54
Diluted (RMB)		**0.70**	0.54

	Notes	For the six months ended June 30,	
		2025	2024
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
PROFIT FOR THE PERIOD		**4,454,671**	3,428,130
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**26,151**	(15)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**26,151**	(15)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,480,822**	3,428,115
Attributable to:			
Owners of the parent		**4,476,550**	3,430,975
Non-controlling interests		**4,272**	(2,860)
		4,480,822	3,428,115

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2025

	Notes	**June 30, 2025** ***RMB'000*** ***(Unaudited)***	December 31, 2024 *RMB'000* *(Audited)*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**7,381,507**	7,094,142
Intangible assets		**5,158,579**	4,556,283
Right-of-use assets		**701,123**	582,246
Investments in associates		**624,887**	666,354
Other non-current assets		**667,154**	479,107
Financial assets at fair value through profit or loss ("FVTPL")		**1,190,106**	1,065,411
Deferred tax assets		**409,874**	377,174
Total non-current assets		**16,133,230**	14,820,717
CURRENT ASSETS			
Inventories		**2,581,065**	2,417,118
Trade and bills receivables	*11*	**6,033,626**	6,159,470
Prepayments, other receivables and other assets		**1,914,742**	1,649,089
Financial assets at FVTPL		**109,008**	273,345
Pledged deposits and restricted cash		**27,865**	13,430
Cash and bank balances		**36,093,982**	24,802,475
Total current assets		**46,760,288**	35,314,927
CURRENT LIABILITIES			
Trade and other payables	*12*	**3,038,350**	3,230,864
Income tax payables		**265,363**	242,938
Contract liabilities		**161,336**	159,793
Total current liabilities		**3,465,049**	3,633,595
NET CURRENT ASSETS		**43,295,239**	31,681,332
TOTAL ASSETS LESS CURRENT LIABILITIES		**59,428,469**	46,502,049

	Notes	**June 30, 2025** ***RMB'000*** ***(Unaudited)***	December 31, 2024 *RMB'000* *(Audited)*
NON-CURRENT LIABILITIES			
Lease liabilities		**45,473**	69,036
Deferred income		**224,791**	225,650
Deferred tax liabilities		**128,407**	117,112
Total non-current liabilities		**398,671**	411,798
Net assets		**59,029,798**	46,090,251
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**6,637,200**	6,379,002
Treasury shares	*13*	**(1,427,697)**	(1,228,624)
Reserves		**53,255,328**	40,369,484
		58,464,831	45,519,862
Non-controlling interests		**564,967**	570,389
Total equity		**59,029,798**	46,090,251

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2025

	Notes	For the six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**5,050,935**	3,751,598
Adjustments for:			
Finance costs		**11,663**	3,314
Share of losses of associates		**41,467**	34,377
Dividends received from financial assets at FVTPL	*4*	**(14,249)**	(28,369)
(Gain)/Loss on disposal of property, plant and equipment	*4/5/6*	**(435)**	287
Depreciation of property, plant and equipment	*6*	**390,477**	362,784
Amortization of intangible assets	*6*	**44,868**	22,707
Equity-settled share-based payment expense	*6*	**126,932**	109,866
Impairment loss recognized/(reversed) on non-financial assets	*5/6*	**9,444**	(15,816)
Depreciation of right-of-use assets	*6*	**26,447**	39,332
Gain on financial assets at FVTPL	*4*	**(126,127)**	(7,542)
Impairment losses under expected credit loss model, net of reversal	*5/6*	**(9,816)**	37,501
Net foreign exchange (gain)/loss		**(21,930)**	5,007
		478,741	563,448
Increase in trade and bills receivables		**(1,573,489)**	(2,089,661)
Increase in pledged deposits		**(17,463)**	(7,985)
Increase in prepayments, other receivables and other assets		**(262,375)**	(320,028)
(Increase)/Decrease in inventories		**(173,390)**	77,839
Increase in trade and other payables		**1,418,226**	1,036,995
Increase in contract liabilities		**1,542**	673,301
(Decrease)/Increase in deferred income		**(859)**	3,600
Decrease in other payables		**(38,168)**	(109,914)
Decrease/(Increase) in deposits and other receivables		**11,997**	(193,401)
Cash generated from operations		**4,895,697**	3,385,792
Income tax paid		**(595,244)**	(353,036)
Net cash flows from operating activities		**4,300,453**	3,032,756

	Notes	For the six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash flows from operating activities		**4,300,453**	3,032,756
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from financial assets at FVTPL		**14,249**	28,369
Dividends received from associates		**–**	6,854
Purchases of items of property, plant and equipment		**(477,764)**	(125,013)
Proceeds from disposal of items of property, plant and equipment		**3,719**	5,858
Purchase of wealth management products		**–**	(600,000)
Purchase of land use right		**(142,642)**	–
Additions to other intangible assets		**(647,159)**	(839,660)
Proceeds from disposal of financial assets at FVTPL		**164,864**	–
Net cash flows used in investing activities		**(1,084,733)**	(1,523,592)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for repurchase of shares for A share incentive scheme		**(382,891)**	(110,163)
Proceeds from issue of shares		**10,351,938**	–
New bank loans		**–**	799,909
Repayment of lease liabilities		**(22,952)**	(27,385)
Repayment of borrowings		**–**	(799,909)
Repayment of borrowings from third parties		**(170,118)**	–
Payments for additional interests in certain subsidiary		**(410,861)**	–
Interest paid		**–**	(1,020)
IPO cost paid		**(51,491)**	–
Dividends paid		**(1,274,130)**	–
Net cash flows generated from/(used in) financing activities		**8,039,495**	(138,568)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**11,255,215**	1,370,596
Cash and cash equivalents at beginning of period		**24,239,102**	20,271,524
Effect of foreign exchange rate changes, net		**48,288**	(5,839)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**35,542,605**	21,636,281

NOTES TO THE FINANCIAL INFORMATION
June 30, 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

1.1 CORPORATE INFORMATION

Jiangsu Hengrui Pharmaceutical Co., Ltd. (the "Company") is a joint stock company with limited liability established in Lianyungang, Jiangsu, People's Republic of China (the "PRC") on April 28, 1997, and subsequently listed on the Shanghai Stock Exchange (stock code: 600276) on October 18, 2000. The Company's H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 23 May 2025. The registered office address of the Company is No. 38 Huanghe Road, Economic and Technological Development Zone, Lianyungang, Jiangsu, the PRC.

The Company and its subsidiaries (collectively referred to as the "Group") was principally engaged in the research and development, manufacture and sale of pharmaceutical products.

1.2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is research and development, manufacture and sale of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**15,761,194**	13,600,734

(a) Disaggregated revenue information

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Drug sales	**13,692,712**	12,134,185
Licensing revenue	**1,991,095**	1,390,858
Others	**77,387**	75,691
Total	**15,761,194**	13,600,734
Geographical markets		
Mainland China	**13,193,147**	11,865,066
Other countries/regions	**2,568,047**	1,735,668
Total	**15,761,194**	13,600,734
Timing of revenue recognition		
At a point in time	**15,751,100**	13,593,776
Over time	**10,094**	6,958
Total	**15,761,194**	13,600,734

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**254,588**	370,788
Government grants income*	**200,870**	163,319
Dividend income from equity investments at FVTPL	**14,249**	28,369
Total other income	**469,707**	562,476
Gains		
Foreign exchange gains, net	**–**	15,243
Gain on financial assets at FVTPL	**126,127**	7,542
Gain on disposal of items of property, plant and equipment	**435**	–
Others	**7,532**	8,123
Total gains	**134,094**	30,908
Total other income and gains	**603,801**	593,384

* The government grants mainly represent subsidies received from the government that relate to both expenses and assets. Government grants are released to profit or loss either over the periods that the expenses for which they are intended to compensate are expensed, or over the expected useful life of the relevant assets, when all attaching conditions and requirements are complied with.

5. OTHER EXPENSES

An analysis of other expenses is as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Donations	**105,469**	210,827
Foreign exchange losses, net	**1,511**	–
Impairment losses under expected credit loss model, net of reversal	**(9,816)**	37,501
Discount on derecognition of bills receivables	**9,804**	10,132
Loss on disposal of items of property, plant and equipment	**–**	287
Impairment loss recognized on non-financial assets, net of reversal	**9,444**	(15,816)
Others	**2,285**	23,179
Total other expenses	**118,697**	266,110

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	For the six months ended June 30, 2025 ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Cost of inventories sold*		**2,087,583**	1,831,436
Depreciation of property, plant and equipment		**390,477**	362,784
Amortization of intangible assets		**44,868**	22,707
Depreciation of right-of-use assets		**26,447**	39,332
(Gain)/Loss on disposal of items of property, plant and equipment	*4/5*	**(435)**	287
Donations	*5*	**105,469**	210,827
Lease payments not included in the measurement of lease liabilities		**40,956**	5,207
Gain on financial assets at FVTPL	*4*	**126,127**	7,542
Bank interest income	*4*	**(254,588)**	(370,788)
Government grants income	*4*	**(200,870)**	(163,319)
Foreign exchange losses/(gains), net	*4/5*	**1,511**	(15,243)
Dividend income from equity investments at FVTPL	*4*	**(14,249)**	(28,369)
Discount on derecognition of bills receivables	*5*	**9,804**	10,132
Impairment losses recognized on non-financial assets, net of reversal	*5*	**9,444**	(15,816)
Impairment losses under expected credit model, net of reversal	*5*	**(9,816)**	37,501
Employee benefit expenses			
– Salaries, bonuses, allowances and benefits in kind		**3,265,938**	2,806,218
– Pension scheme contributions		**293,177**	291,269
– Equity-settled share-based payments expenses		**126,932**	109,866
Total employee benefits expenses		**3,686,047**	3,207,353

* The "Cost of inventories sold" amount includes the following expenses which are also included in the respective total amounts of the items disclosed above

Amortization of intangible assets
Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Employee benefit expenses

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the taxable profits determined in accordance with the Enterprise Income Tax Law, which was approved and became effective on January 1, 2008, except for the Company and certain subsidiaries of the Group in Mainland China which are granted tax concession and are taxed at preferential tax rates.

The Company, Suzhou Suncadia Biopharmaceuticals Co., Ltd. ("蘇州盛迪亞生物醫藥有限公司") Shandong Shengdi Pharmaceutical Co., Ltd. ("山東盛迪醫藥有限公司") and Jiangsu Original Drug Research and Development Co., Ltd. ("江蘇原創藥物研發有限公司") were qualified as High and New Technology Enterprises to enjoy a preferential income tax rate of 15% from 2023 to 2025.

Chengdu Suncadia Medicine Co., Ltd. ("成都盛迪醫藥有限公司"), Shanghai Senhui Pharmaceutical Co., Ltd. ("上海森輝醫藥有限公司") and Fujian Shengdi Pharmaceutical Co., Ltd. ("福建盛迪醫藥有限公司") were qualified as High and New Technology Enterprises to enjoy a preferential income tax rate of 15% from 2024 to 2026.

Shanghai Hengrui Pharmaceuticals Co., Ltd ("上海恆瑞醫藥有限公司"), Shanghai Shengdi Pharmaceutical Co., Ltd. ("上海盛迪醫藥有限公司"), Tianjin Hengrui Pharmaceutical Co., Ltd. ("天津恆瑞醫藥有限公司") and Chengdu Xinyue Pharmaceutical Co., Ltd. ("成都新越醫藥有限公司") were qualified as High and New Technology Enterprises to enjoy a preferential income tax rate from 2022 to 2024. These qualifications are subject to review by the relevant tax authority in the Mainland China for every three years. The renewal of above qualifications for 2025 to 2027 is in process and the management of the Group expects the renewal will be completed before December 31, 2025.

In addition, pursuant to Caishui [2020] No.31 "Notice of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port (關於海南自由貿易港企業所得稅優惠政策的通知) and Caishui [2025] No.3 "Notice on the Continuation of the Implementation of the Preferential Income tax Polices For Enterprises in Hainan Free Trade Port (關於延續實施海南自由貿易港企業所得稅優惠政策的通知), as for the subsidiary of the Company, Hainan Hengrui Pharmaceutical Co., Ltd. ("海南恆瑞醫藥有限公司"), which is incorporated in Hainan Free Trade Port and engaged in stipulated encouraged business, are permitted to enjoy a preferential enterprise income tax rate of 15% subject to certain qualification requirements until December 31, 2027.

United States

The subsidiaries incorporated in United States are subject to statutory federal corporate income tax at a rate of 21%. They are also subject to the state income tax which generally ranges from 1% to 10%.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current income tax when incurred. Pillar Two legislation has been enacted or substantially enacted and in effect as at June 30, 2025 in certain jurisdictions in which the Group operates.

Pillar Two legislation was gazetted in Hong Kong on June 6, 2025, the jurisdiction in which the Company is listed, and has come into effect retroactively from January 1, 2025. Under the legislation, the Group may be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group has not been subject to material current income tax exposure under the Pillar Two regime as of June 30, 2025 according to the assessment. The Group will continue to monitor the Pillar Two developments and reassess the potential impact on its tax position.

The income tax expense of the Group for the period is analysed as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**617,669**	405,800
Deferred income tax	**(21,405)**	(82,332)
Total	**596,264**	323,468

8. DIVIDENDS

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final declared – RMB20 cents (2024: RMB20 cents) per ordinary share	**1,274,130**	1,273,768

Pursuant to the resolutions of the shareholders of the Company dated 28 April 2025, the Company declared dividends of RMB20 cents (15 May 2024: RMB20 cents) per ordinary share, amounting to a total of approximately RMB1,274,130,000 (six months ended June 30, 2024: RMB1,273,768,000).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the expected vested shares under A share stock ownership schemes, and the weighted average number of ordinary shares outstanding (excluding treasury shares) during the period.

The calculation of the diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares arising from A share stock ownership schemes into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**4,450,107**	3,431,746

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	**6,391,631,481**	6,351,998,980
Effect of dilution – potential ordinary shares arising from A share stock ownership schemes	**4,148,593**	2,269,113
Total	**6,395,780,073**	6,354,268,092

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2025, the Group acquired assets at a cost of RMB680,433,000 (the six months ended June 30, 2024: RMB314,062,000).

Assets with a net book value of RMB3,284,000 were disposed of by the Group during the six months ended June 30, 2025 (the six months ended June 30, 2024: RMB5,711,000), resulting in a net gain on disposal of RMB435,000 (the six months ended June 30, 2024: a net loss of RMB287,000).

As at June 30, 2025, the Group has not obtained the certificates for certain of the buildings with an aggregate net carrying amount of approximately RMB997,514,000 (December 31, 2024: RMB1,024,689,000). The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at June 30, 2025.

11. TRADE AND BILLS RECEIVABLES

	June 30,	December 31,
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**5,069,620**	4,968,479
Bills receivables	**1,011,077**	1,244,598
Impairment	**(47,071)**	(53,607)
Total	**6,033,626**	6,159,470

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	June 30, 2025 ***RMB'000*** **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Current	**5,689,722**	5,558,730
Past due within 1 year	**341,703**	599,744
Past due 1 year to 2 years	**2,153**	908
Past due 2 years to 3 years	**48**	88
Total	**6,033,626**	6,159,470

12. TRADE AND OTHER PAYABLES

	June 30, 2025 ***RMB'000*** **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Trade and bills payables	**1,983,608**	1,517,333
Considerations received from employees under A share stock ownership schemes	**459,599**	558,827
Other tax payables	**162,701**	187,573
Other payables	**170,647**	316,087
Payables relating to purchases of items of property, plant and equipment	**215,839**	449,926
Lease liabilities	**45,956**	41,126
Borrowings from third parties	**–**	159,992
Total	**3,038,350**	3,230,864

An ageing analysis of the trade and bills payables of the Group at the end of the reporting period, based on the invoice date, is as follows:

	June 30, 2025 ***RMB'000*** **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Within 1 year	**1,936,982**	1,461,317
1 to 2 years	**20,414**	38,284
2 to 3 years	**13,165**	11,574
Over 3 years	**13,047**	6,158
Total	**1,983,608**	1,517,333

13. SHARE CAPITAL/TREASURY SHARES

Share Capital

	June 30, 2025 ***RMB'000*** **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Issued and fully paid: 6,637,199,874 ordinary shares of RMB1.00 each (December 31, 2024: 6,379,002,274 shares of RMB1.00 each)	**6,637,200**	6,379,002

A summary of movements in the share capital is as follows:

	Number of shares in issue	**Share capital** *RMB'000*
At 1 January 2025	6,379,002,274	6,379,002
Issue of shares	258,197,600	258,198
At June 30, 2025 (unaudited)	6,637,199,874	6,637,200

Treasury Shares

A summary of movements in the Company's treasury shares is as follows:

	Number of shares	**Treasury Shares** *RMB'000*
At January 1, 2025 (audited)	29,541,002	1,228,624
Repurchase of shares under A shares stock ownership schemes	7,724,000	382,891
Vesting of shares under A shares stock ownership schemes	(4,160,526)	(183,818)
At June 30, 2025 (unaudited)	33,104,476	1,427,697

EVENTS AFTER THE REPORTING PERIOD

In July 2025, the Company entered into agreements with GSK granting GSK an exclusive worldwide right (excluding mainland China, Hong Kong, Macau and Taiwan region) of the Company's drug candidate, HRS-9821, as well as exclusive options to obtain exclusive worldwide licenses (excluding mainland China, Hong Kong, Macau and Taiwan region) for up to 11 programs. GSK will make an upfront payment of US$500.0 million, a potential total amount of approximately US$12,000.0 million in option exercise fees and milestone payments, as well as corresponding tiered royalties on product net sales. For details, please refer to the announcement of the Company dated July 28, 2025.

Save for the above, no important event affecting the Group has occurred since the end of the Reporting Period and up to the date of this announcement.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

On May 23, 2025, the Company's H Shares were successfully listed on the Main Board of the Hong Kong Stock Exchange. The net proceeds raised from the Company's Global Offering (taking into account the exercise of the over-allotment option and after deducting the underwriting fees and other estimated expenses payable by us in connection with the Global Offering) were approximately RMB10,300.4 million.

As of June 30, 2025, the Company has not yet utilized the net proceeds from the Global Offering. As of the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to continuously improving its corporate governance structure, and optimizing its internal management and control and its business operation in order to improve the corporate governance of the Company. The corporate governance practices adopted by the Company are based on the principles and Code Provisions as set out in the CG Code and the Company has adopted the CG Code as its own code of corporate governance.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Board is of the view that the Company has complied with all the Code Provisions as set out in Part 2 of the CG Code since the Listing Date and up to June 30, 2025.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

Since the Listing Date and up to June 30, 2025, there was no purchase, sale or redemption of securities (including treasury shares) of the Company made by the Company or any of its subsidiaries.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. Having made specific enquiry of the Directors, all the Directors have confirmed that they have complied with the standards for securities transactions by directors as set out in the Code of Conduct since the Listing Date and up to June 30, 2025.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Board has established the Audit Committee, which consists of three independent non-executive directors, namely Mr. Zeng Qingsheng (chairperson of the Audit Committee), Mr. Dong Jiahong and Mr. Sun Jinyun. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and supervise the work of internal and external auditors and provide advice and comments to the Board.

The Company's unaudited interim results for the six months ended June 30, 2025 have been reviewed by the Audit Committee of the Company, and the Audit Committee has discussed accounting principles and practices adopted by the Group and its internal controls and financial reporting matters with the management of the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Reporting Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Hong Kong Stock Exchange (**www.hkexnews.hk**) and the Company (**www.hengrui.com**). The interim report for six months ended June 30, 2025 of the Company will be available on the same websites in due course.

DEFINITIONS AND GLOSSARY

In this announcement, unless the context otherwise requires, the following terms shall have meanings set out below.

"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"ADC"	antibody-drug conjugate
"AOC"	antibody-oligonucleotide conjugate
"APC"	antibody-peptide conjugate
"Audit Committee"	the audit committee of the Board
"BLA"	biologics license application, a request for permission to introduce, or deliver for introduction, a biologic product into interstate commerce
"CDE"	Center for Drug Evaluation of NMPA
"centralized procurement"	centralized volume-based drug procurement
"CG Code"	the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules
"Code Provisions"	code provisions under the CG Code
"Hengrui Pharma"	Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江苏恒瑞医药股份有限公司), a joint stock company with limited liability established in the PRC on April 28, 1997, the A Shares of which have been listed on the Shanghai Stock Exchange (stock code: 600276) and the H Shares of which have been listed on the Hong Kong Stock Exchange (stock code: 1276)
"DAC"	degrader-antibody conjugates
"EUR"	euros, the lawful currency of the European Union
"Global Offering"	has the meaning ascribed to it in the Prospectus
"GnRH"	gonadotropin-releasing hormone

"H Share(s)"	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Date"	May 23, 2025, being the date on which the H Shares were listed on the Main Board of the Hong Kong Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"NRDL"	National Reimbursement Drug List
"NDA"	new drug application
"NMPA"	National Medical Products Administration (中國國家藥品監督管理局)
"orphan drug designation"	a designation granted by the U.S. FDA to a drug intended to treat a rare disease or condition
"PCT"	Patent Cooperation Treaty
"Prospectus"	the prospectus issued by the Company on May 15, 2025 in connection with the Hong Kong public offering of the Shares
"PROTAC"	a bifunctional molecule that combines an active site selective for binding to the target of interest and a ligand of E3 ubiquitin ligase to drive selective proteasome mediated degradation
"PRC" or "China"	The People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"Reporting Period"	the six months from January 1, 2025 to June 30, 2025
"R&D"	research and development

"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shareholder(s)"	holder(s) of Share(s)
"Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares
"U.S." or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"U.S. FDA"	U.S. Food and Drug Administration
"US$" or "US dollars"	United States dollar(s), the lawful currency of the United States
"%"	per cent

By order of the Board
Jiangsu Hengrui Pharmaceuticals Co., Ltd.
江蘇恒瑞醫藥股份有限公司
Mr. Sun Piaoyang
Chairman

Shanghai, PRC
August 20, 2025

As at the date of this announcement, the Board comprises: (i) Mr. Sun Piaoyang, Mr. Dai Hongbin, Ms. Feng Ji, Mr. Zhang Lianshan, Mr. Jiang Frank Ningjun and Mr. Sun Jieping as executive Directors; (ii) Ms. Guo Congzhao as non-executive Director; and (iii) Mr. Dong Jiahong, Mr. Zeng Qingsheng, Mr. Sun Jinyun and Mr. Chow Kyan Mervyn as independent non-executive Directors.