Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

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)

PROPOSED ADOPTION OF THE 2025 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME

INTRODUCTION

The Board of the Company hereby announces that it has considered and approved the Employee Stock Ownership Scheme at the Board meeting held on August 20, 2025. The Employee Stock Ownership Scheme will become effective subject to the consideration and approval at the Shareholders' meeting of the Company.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

The Employee Stock Ownership Scheme does not involve the grant by the Company (or any of its subsidiaries) of new A Shares or options for new A Shares, or the issuance of A Shares. As the Employee Stock Ownership Scheme involves existing Shares, it shall be subject to Rule 17.12 under Chapter 17 of the Hong Kong Listing Rules.

As the Holders involve certain Directors, Supervisors and chief executive of the Company, participation by each of such Directors, Supervisors and chief executive of the Company in the Employee Stock Ownership Scheme constitutes a Connected Transaction under Chapter 14A of the Hong Kong Listing Rules. As all of the applicable percentage ratios (as defined in the Hong Kong Listing Rules) on an individual basis are less than 0.1%, such Connected Transactions are fully exempt from Shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempt Connected Transactions, the participation of other Holders in the Employee Stock Ownership Scheme does not constitute a Connected Transaction under Chapter 14A of the Hong Kong Listing Rules. In case of reallocation of any granted Shares to any Connected Persons of the Company and such reallocation constitutes a Connected Transaction under Chapter 14A of the Hong Kong Listing Rules, the Company will comply with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules.

The Board of the Company hereby announces that it has considered and approved the Employee Stock Ownership Scheme at the Board meeting held on August 20, 2025. The Employee Stock Ownership Scheme will become effective subject to the consideration and approval at the Shareholders' meeting of the Company.

The principal terms of the Employee Stock Ownership Scheme are set out below:

I. PURPOSE OF THE SCHEME

The Company implemented the Scheme to establish and improve the mechanism for sharing benefits between the Company, its Shareholders and its employees, motivate the enthusiasm and creativity of employees, enhance employee cohesion and the Company's competitiveness, which in return will promote the long-term, sustainable and healthy development of the Company.

II. PARTICIPANTS AND CRITERIA FOR DETERMINATION OF PARTICIPATION IN THE SCHEME

1. Legal Basis for Determining Holders of the Scheme

The Participants of the Scheme are determined in accordance with the relevant laws, such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guiding Opinions, the Self-disciplinary Supervisory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Standardised Operation, administrative regulations, rules, normative documents and relevant provisions of the articles of association of the Company.

2. Basis for Determination of Target Holders

The Target Holders under the Employee Stock Ownership Scheme shall be employees of the Company, who shall participate in the Employee Stock Ownership Scheme on a legal, compliant, and voluntary basis at their own risks. All Target Holders must be employed by, receive remuneration from, and have signed an employment contract with or be otherwise employed by the Company or its subsidiaries. The Target Holders under the Employee Stock Ownership Scheme shall fall within one of the following criteria:

1. Directors (excluding independent Directors), Supervisors or senior management of the Company;

2. Core management personnel or key employees of the Company or its subsidiaries;

3. Other employees that the Board considers necessary to be incentivised.

3. Information on the Holders under the Employee Stock Ownership Scheme

The total number of employees participating in the Employee Stock Ownership Scheme is expected to be less than 1,316 (excluding reserved units), of which the total number of Directors (excluding independent Directors), Supervisors, and senior management of the Company shall not exceed 9 (excluding reserved units). The specific number of Participants and final subscription amounts will be determined based on the actual subscription status by employees.

The information on the Target Holders under the Employee Stock Ownership Scheme and their units held is as follows:

Holders	**Maximum number of units to be subscribed and held (ten thousand)**	**Proportion to the total number of units of the Employee Stock Ownership Scheme** (%)
Directors (excluding independent Directors), Supervisors, senior management of the Company (a total of 9 persons): Dai Hongbin, Feng Ji, Zhang Lianshan, Jiang Frank Ningjun, Sun Jieping, Lau Kin Chun, Liu Xiaohan, Xiong Guoqiang, Xu Yu	72.2	5.16
Core management personnel and key employees of the Company	1,312.8	93.77
Reserved shares	15	1.07
Total	1,400	100

Note: The maximum number of subscribers and shares subscribed by each category of Holders does not include reserved units.

Where a Holder fails to pay the subscription funds in full on time, he/she will automatically lose the corresponding subscription rights, and his/her proposed subscription shares may be subscribed by other eligible Target Holders or adjusted to the Company's reserved units. The Management Committee is authorised by the Board to adjust the list of Target Holders and their subscription units.

The final number and the list of Participants and their number of shared subscribed under the Scheme shall be subject to the actual payment of the employees.

III. SIZE, SOURCE OF FUNDS, SOURCE OF SHARES AND PURCHASE PRICE OF THE EMPLOYEE STOCK OWNERSHIP SCHEME

1. Size of the Employee Stock Ownership Scheme

Under the Employee Stock Ownership Scheme, the Company shall repurchase no more than 14 million A Shares (including reserved units), representing 0.21% of the total share capital of the Company as at the date of the announcement of the draft Employee Stock Ownership Scheme. The final number of Underlying Shares held under the Employee Stock Ownership Scheme shall be subject to the actual implementation of the Scheme. The Company will promptly fulfil its information disclosure obligations in accordance with the relevant regulations.

During the period from the announcement date of the Board resolution to review the draft Scheme to the completion date of the transfer of repurchased shares under the Scheme, should there be any issuance of rights or dividends, such as conversion of capital reserves into share capital, gift of shares, or payment of dividends, the number and price of the Underlying Shares shall be adjusted accordingly.

After the implementation of the Scheme, the total number of shares held by all valid employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company in aggregate, and the number of underlying shares corresponding to all such schemes held by any individual holder shall not exceed 1% of the total share capital of the Company. The total number of shares held under the such schemes does not include shares acquired by the employee prior to the initial public offering and listing of the Company, the shares purchased by the employees themselves through the secondary market and the shares acquired through equity incentives.

2. Sources of Funds for the Scheme

The source of funds for the Scheme shall be legitimate remuneration of employees, self-financing and other means permitted by laws and regulations. The Company does not provide any financial assistance such as advance payment, guarantee, loan, etc. to the Participants. No arrangement has been made by third parties to provide any rewards, funding, subsidies or catch-all payments to the Participants under the Scheme.

The Holders of the Scheme shall pay the subscription funds in full and on time for their subscription units. The Company shall notify all Participants uniformly of the payment schedule of the Scheme. Where the Holder fails to pay the subscription funds in full on time, the corresponding subscription rights shall automatically lapse.

3. Sources of Shares for the Scheme

The source of shares for the Scheme is the repurchased A Shares of the Company in the designated securities repurchase account of the Company. After the establishment of this Employee Stock Ownership Scheme, it is intended that the Company may repurchase the Underlying Shares held in the Company's designated securities repurchase account by way of non-trading transfers.

4. Employee Stock Ownership Scheme Purchase Price and Pricing Basis

After the establishment of this Employee Stock Ownership Scheme, it is intended that the Company may repurchase the Underlying Shares held in the Company's designated securities repurchase account by way of non-trading transfers at a purchase price of RMB30.95 per share, which shall be no less than the par value of the Shares of the Company and no less than the higher of the following:

1. 50% of the average trading price of A Shares of the Company on the trading day before the announcement of the draft Scheme;

2. 50% of the average trading price of A Shares of the Company on the 120 trading days before the announcement of the draft Scheme.

During the period from the announcement date of the Board resolution to review the draft Scheme to the completion date of the transfer of repurchased shares under the Scheme, should there be any issuance of rights or dividends, such as conversion of capital reserves into share capital, gift of shares, or payment of dividends, the number and price of the aforementioned purchase price shall be adjusted accordingly.

To establish and improve the long-term incentive mechanism of the Company, enhance the mechanism for sharing interests and risks between employees and all Shareholders, fully motivate the enthusiasm and creativity of employees, attract and retain outstanding management talents and key business personnel, further enhance employee cohesion and our competitiveness, which in return will promote the long-term, sustainable, and healthy development of the Company, the purchase price under the Employee Stock Ownership Scheme involves a partial discount compared to the current market price. This helps to encourage employees to participate in the Employee Stock Ownership Scheme, which in turn improves the participation and coverage of employee stock ownership. As such, employees' interests would be deeply intertwined with corporate interests, thereby fully realising the incentive effect.

In summary, on the basis of legality and compliance, having considered comprehensive factors such as the industry in which the Company operates, the current competition landscape for talents, cost of incentives, and the willingness of the core team to participate, the purchase price has been finally determined. At the same time, to combine incentives with restrictions, the Company has set a three-year performance target and a Lock-up Period, effectively aligning the interests of the incentive recipients with those of the Company and its Shareholders, thereby promoting the Company's long-term development. Therefore, the Employee Stock Ownership Scheme fully reflects the basic principle of "self-responsibility for profits and losses, self-assumption of risks" in the Guiding Opinions on the Pilot Implementation of Schemes by Listed Companies, and the pricing method of the transfer price is reasonable.

IV. DURATION PERIOD, LOCK-UP PERIOD AND APPRAISAL CRITERIA OF THE SCHEME

1. Duration Period of the Scheme

The Duration Period of the Scheme shall be 60 months, commencing from the date when the Scheme is considered and approved at the Shareholders' meeting of the Company and the Company announces the transfer of the last tranche of the Underlying Shares to the Scheme. When the Duration Period expires and is not further extended, the Scheme shall terminate automatically. Early termination or extension may be granted upon approval by the Board. Early termination may be granted if all Shares under the Employee Stock Ownership Scheme are sold or transferred during the Duration Period.

Within two months prior to the expiration of the Duration Period of the Scheme, in case that there remains unsold or untransferred shares of the Company held by the Scheme, the Duration Period of the Scheme may be extended with the consent of more than two-thirds of the Holders who attend the Holders' Meeting and the approval of the Board.

Where the shares in the Company held under the Scheme cannot be fully disposed of before the expiration of the Duration Period due to the suspension of trading of Shares or a relatively short window period, the Duration Period of the Scheme may be extended with the consent of more than two-thirds of the Holders who attend the Holders' Meeting and the approval of the Board.

2. Lock-up Period of the Scheme

The Lock-up Period of the Underlying Shares obtained via the Scheme shall start from the date on which the Company announces the transfer of the corresponding tranche of Underlying Shares to the Scheme, in three phases over a period of 12 months, 24 months and 36 months. The proportion of Underlying Shares unlocked in each phase shall be 40%, 30% and 30%. Details are as follows:

Phase 1 of Unlock: 12 months from the date on which the Company announces the transfer of the corresponding tranche of the Underlying Shares to the Scheme. The maximum number of shares eligible for unlocking shall not exceed 40% of the total Underlying Shares held under this Employee Stock Ownership Scheme.

Phase 2 of Unlock: 24 months from the date on which the Company announces the transfer of the corresponding tranche of the Underlying Shares to the Scheme. The maximum number of shares eligible for unlocking shall not exceed 30% of the total Underlying Shares held under this Employee Stock Ownership Scheme.

Phase 3 of Unlock: 36 months from the date on which the Company announces the transfer of the corresponding tranche of the Underlying Shares to the Scheme. The maximum number of shares eligible for unlocking shall not exceed 30% of the total Underlying Shares held under this Employee Stock Ownership Scheme.

The Underlying Shares of the Scheme derived from the payment of dividends or conversion of capital reserves into share capital of the listed company shall also comply with the above lock-up arrangement.

The trading restrictions on the Scheme shall be implemented in accordance with the latest revised relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange.

V. MANAGEMENT MODEL OF THE SCHEME

The Scheme adopts a self-management model. The internal entity with the highest management authority of the Scheme is the Holders' Meeting, which is composed of all Holders of the Scheme. The Management Committee of the Scheme is elected through the Holders' Meeting and is authorised to oversee the daily management of the Scheme. The Management Committee exercises of Shareholders' rights on behalf of the Holders or authorises the management institutions to exercise Shareholders' rights, safeguard the legitimate rights and interests of the Holders of the Scheme and ensure the security of assets of the Scheme.

The "Administrative Measures of the 2025 A Share Employee Stock Ownership Scheme" of the Company clearly defines the responsibilities of the Management Committee and implements comprehensive risk prevention and isolation measures. The Board is responsible for formulating and revising the draft Scheme and handling other matters related to the Scheme within the scope of authorisation of the Shareholders' meeting. Depending on the implementation of this Employee Stock Ownership Scheme, qualified professional organisations may be engaged to provide consulting, management, and other services for the Scheme.

VI. DISTRIBUTION OF RIGHTS AND INTERESTS DURING THE DURATION PERIOD

1. The Holders of the Employee Stock Ownership Scheme shall be entitled to the asset-related rights and interests of the Shares held by the Employee Stock Ownership Scheme in proportion to their actual capital contribution. Holders shall enjoy Shareholder rights through the corresponding Shares obtained via the Employee Stock Ownership Scheme (including dividend rights, rights issue rights, conversion of capital reserve to share capital and other asset-related rights and interests).

2. Within the Duration Period of the Employee Stock Ownership Scheme, unless otherwise specified by laws, administrative regulations, departmental rules or with the consent of the Management Committee, the Holders, without authorisation, shall not unilaterally withdraw from, transfer, or use as collateral, pledge, guarantee, for debt repayment or other similar disposals, the units held by them under the Employee Stock Ownership Scheme.

3. The Holders shall not require any distributions of the rights and interests of the Employee Stock Ownership Scheme within the Lock-up Period.

4. In the event of conversion of capital reserve into share capital and distribution of bonus shares by the Company within the Lock-up Period, the new Shares obtained under the Employee Stock Ownership Scheme as a result of holding the Company's Shares shall be locked up, and shall not be disposed of in the secondary market or transferred by other means. The unlocking period of such Shares shall be the same as that of the corresponding Shares.

5. Upon the expiry of the Lock-up Period of the Employee Stock Ownership Scheme and within the Duration Period, the Management Committee, based on the authorisation of the Holders' Meeting, shall sell the corresponding Underlying Shares or transfer them to the Holders of units under the current Employee Stock Ownership Scheme in due course within the Duration Period after the unlocking date of the Employee Stock Ownership Scheme.

6. Within the Duration Period of the Employee Stock Ownership Scheme, when the Underlying Shares held by the Employee Stock Ownership Scheme are disposed of for cash or other distributable income is obtained, the Employee Stock Ownership Scheme may make distributions in each fiscal year. The Management Committee shall, after legally deducting relevant taxes, fees and payable amounts of the Scheme, distribute the earnings in proportion to the units held by the Holders to the total units of the Scheme.

7. Within the Duration Period, when the Company distributes cash dividends or pays dividends, the cash dividends obtained by the Employee Stock Ownership Scheme from holding the Company's Shares shall be recorded as monetary assets of the Employee Stock Ownership Scheme and shall not be distributed temporarily. Upon expiration of the Lock-up Period of the Employee Stock Ownership Scheme, the cash dividends shall be distributed in proportion to the units held by the Holders after deducting corresponding expenses according to law.

8. In the event of other unspecified matters, the disposal method of the units held by the Holders under the Employee Stock Ownership Scheme shall be determined by the Management Committee.

VII. CHANGES AND TERMINATION OF THE SCHEME

1. Alteration of the Scheme

During the Duration Period of the Scheme, any alteration to the Scheme shall be subject to the consent of more than two-thirds of the Holders who attend the holders' meeting and shall be submitted to the Board for consideration and approval before implementation.

2. Termination of the Scheme

1. The Scheme shall terminate automatically upon expiration of the Duration Period.

2. After the expiration of the Lock-up Period, the Scheme may be terminated in advance upon completion of the relevant procedures when all the Underlying Shares held by the Scheme are sold or transferred.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

The Employee Stock Ownership Scheme does not involve the grant by the Company (or any of its subsidiaries) of new A Shares or options for new A Shares, or the issuance of A Shares. As the Employee Stock Ownership Scheme involves existing Shares, it shall be subject to Rule 17.12 under Chapter 17 of the Hong Kong Listing Rules.

As the Holders involve certain Directors, Supervisors and chief executive of the Company, participation by each of such Directors, Supervisors and chief executive of the Company in the Employee Stock Ownership Scheme constitutes a Connected Transaction under Chapter 14A of the Hong Kong Listing Rules. As all of the applicable percentage ratios (as defined in the Hong Kong Listing Rules) on an individual basis are less than 0.1%, such Connected Transactions are fully exempt from Shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempt Connected Transactions, the participation of other Holders in the Employee Stock Ownership Scheme does not constitute a Connected Transaction under Chapter 14A of the Hong Kong Listing Rules. In case of reallocation of any granted Shares to any Connected Persons of the Company and such reallocation constitutes a Connected Transaction under Chapter 14A of the Hong Kong Listing Rules, the Company will comply with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules.

EXTRAORDINARY SHAREHOLDERS' MEETING

The Company will propose an ordinary resolution at an extraordinary Shareholders' meeting for the purpose of, *inter alia*, considering and approving the Employee Stock Ownership Scheme. A circular containing (among other things) the details of the Employee Stock Ownership Scheme will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.hengrui.com) as soon as practicable.

DEFINITIONS

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

"A Share(s)"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"Board" or "Board of Directors"	the board of Directors of our Company
"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"Company"	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 and H shares of which have been listed on the Shanghai Stock Exchange (stock code: 600276) and the Hong Kong Stock Exchange (stock code: 1276), respectively

"Connected Person(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Connected Transaction(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Director(s)"	the director(s) of our Company
"Duration Period"	the period commencing from the date when the draft Employee Stock Ownership Scheme is considered and approved at the Shareholders' meeting of the Company and the Company announces the transfer of the last tranche of the Underlying Shares to the Employee Stock Ownership Scheme, until the date when all the Shares of the Company held by the Employee Stock Ownership Scheme are fully sold or transferred to the Holders under the Employee Stock Ownership Scheme and the assets of the Employee Stock Ownership Scheme are liquidated and distributed in accordance with the provisions of the Employee Stock Ownership Scheme
"Employee Stock Ownership Scheme" or "the Scheme"	the 2025 A Share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (《江蘇恒瑞醫藥股份有限公司2025年A股員工持股計劃》)
"Guiding Opinions"	the Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis (《關於上市公司實施員工持股計劃試點的指導意見》)
"Holder(s)", "Target Holder(s)" or "Participant(s)"	employees of the Company who participate in the subscription of Shares under the Employee Stock Ownership Scheme
"Holders' Meeting(s)"	the Holders' meeting(s) of the Employee Stock Ownership Scheme
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Lock-up Period"	the period during which the conditions for the Holders to vest their rights under the Employee Stock Ownership Scheme has not been met, and the granted units cannot be transferred or disposed of, commencing from the date when the draft Employee Stock Ownership Scheme is considered and approved at the Shareholders' meeting of the Company and the Company announces the transfer of the corresponding tranche of Underlying Shares to the Employee Stock Ownership Scheme

"Management Committee"	the management committee of the Employee Stock Ownership Scheme
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares of the Company
"Supervisor(s)"	the supervisor(s) of the Company
"Underlying Share(s)"	A Shares legally acquired and held under this Employee Stock Ownership Scheme
"%"	per cent

By order of the Board
Jiangsu Hengrui Pharmaceuticals Co., Ltd.
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.