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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)

CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT

BACKGROUND

On March 25, 2026, the Company entered into the Capital Increase Agreement with Hengrui Group, Shengdi Biomedical Fund, Shenzhen Yingtai and Shanghai Regenelead to increase the registered capital of Shanghai Regenelead from approximately RMB131.6 million to approximately RMB230.3 million. Pursuant to the Capital Increase Agreement, the Company, Hengrui Group, Shengdi Biomedical Fund and Shenzhen Yingtai agreed to contribute in aggregate RMB750.0 million by way of cash on a pro rata basis. Upon completion of the Capital Increase Agreement, the Company, Hengrui Group, Shengdi Biomedical Fund and Shenzhen Yingtai will each continue to hold 38.0%, 28.0%, 19.0% and 15.0% of the equity interest in Shanghai Regenelead, respectively.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Hengrui Group is a substantial shareholder of the Company and Shenzhen Yingtai is wholly-owned by Mr. Cen, a substantial shareholder of the Company. Accordingly, Hengrui Group and Shenzhen Yingtai constitute connected persons of the Company under Rule 14A.07 of the Listing Rules. The transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the capital contribution by the Company to Shanghai Regenelead pursuant to the Capital Increase Agreement exceeds 0.1% but is less than 5%, the capital contribution by the Company to Shanghai Regenelead is only subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE CAPITAL INCREASE AGREEMENT

On March 25, 2026, the Company entered into the Capital Increase Agreement with Hengrui Group, Shengdi Biomedical Fund, Shenzhen Yingtai and Shanghai Regenelead to increase the registered capital of Shanghai Regenelead by way of cash on a pro rata basis.

Set out below is a summary of the principal terms of the Capital Increase Agreement:

Date: March 25, 2026

Parties:

(i) The Company;

(ii) Hengrui Group;

(iii) Shengdi Biomedical Fund;

(iv) Shenzhen Yingtai; and

(v) Shanghai Regenelead.

Capital contribution: The Company, Hengrui Group, Shengdi Biomedical Fund and Shenzhen Yingtai agreed to contribute in aggregate RMB750.0 million by way of cash on a pro rata basis, to increase the registered capital of Shanghai Regenelead from approximately RMB131.6 million to approximately RMB230.3 million.

Specifically:

(i) the Company will subscribe for RMB37.5 million of the registered capital of Shanghai Regenelead with RMB285.0 million, which will be contributed through its internal resources;

(ii) Hengrui Group will subscribe for approximately RMB27.6 million of the registered capital of Shanghai Regenelead with RMB210.0 million;

(iii) Shengdi Biomedical Fund will subscribe for approximately RMB18.8 million of the registered capital of Shanghai Regenelead with RMB142.5 million; and

(iv) Shenzhen Yingtai will subscribe for approximately RMB14.8 million registered capital of Shanghai Regenelead with RMB112.5 million.

Basis of consideration: The aggregate amount of the capital contribution and capital increase price of RMB7.6 per RMB1.0 of registered capital (the "**Capital Increase Price**") was determined after arm's length negotiations among the parties, with reference to (i) the valuation set out in the asset valuation report (Zhongfa Appraisal Report 2026 No. 016) (the "**Asset Valuation Report**") issued by Zhongfa International Asset Appraisal Co., Ltd. (中發國際資產評估有限公司) (an independent third party of the Company); and (ii) the future development plans and capital requirements of Shanghai Regenelead.

The valuation was conducted using the asset-based approach. As at the valuation reference date of December 31, 2025, the book value of the entire shareholders' equity interest in Shanghai Regenelead was a deficit of approximately RMB66.2 million and the appraised value of the entire shareholders' equity interest in Shanghai Regenelead was approximately RMB1,088 million (the "**Appraised Value**"). According to the Asset Valuation Report, the difference between the abovementioned book value and the Appraised Value was mainly due to the recognition of off-balance-sheet intangible assets, including certain patents, trademarks, software copyrights, and clinical trial approvals. In considering the reasonableness of the Capital Increase Price, the Appraised Value was compared against the current registered capital of Shanghai Regenelead (approximately RMB131.6 million).

Key assumption in valuation: The key assumptions made in the Asset Valuation Report are as follows:

1. *open market assumption:* it is assumed that the assets traded in the market or the assets to be traded in the market are equal in status to each other, and both parties have the opportunity and time to obtain sufficient market information, so as to make rational judgments on the functions, uses and transaction prices of the assets;

2. *transaction assumption:* it is assumed that all assets to be valued are in the course of transaction;

3. *going concern assumption:* it is assumed that the valuation target will continue to operate as a going concern after the valuation reference date;

4. it is assumed that the accounting policies adopted by the valuation target after the valuation reference date and the accounting policies adopted when preparing the Asset Valuation Report remain consistent in all material aspects;

5. it is assumed that the business scope of the valuation target after the valuation reference date is consistent with the current management;

6. it is assumed that the products or services of the valuation target after the valuation reference date maintain the current market situation;

7. it is assumed that the R&D capabilities and technological advancement of the valuation target after the valuation reference date remain at the current level; and

8. other customary and general valuation assumptions.

Settlement: Each of the Company, Hengrui Group, Shengdi Biomedical Fund and Shenzhen Yingtai shall pay their respective portion of the capital contribution in cash to Shanghai Regenelead within two months of the execution of the Capital Increase Agreement.

The table below sets out the shareholding structure of Shanghai Regenelead immediately before and after the capital increase upon completion of the Capital Increase Agreement:

Name of shareholders	**Amount of registered capital (before the capital increase)** *(RMB)*	**Amount of registered capital (after the capital increase)** *(RMB)*	**Percentage of equity interest (before and after the capital increase)** *(%)*
Company	50,000,000	87,500,000	38.0%
Hengrui Group	36,842,105	64,473,684	28.0%
Shengdi Biomedical Fund	25,000,000	43,750,000	19.0%
Shenzhen Yingtai	19,736,842	34,539,473	15.0%
Total	131,578,947	230,263,157	100.0%

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

Shanghai Regenelead is principally engaged in technology development, technology consulting, technology services and technology transfer in the pharmaceutical field. Shanghai Regenelead has an independent core technology platform and strong research and development capabilities, which requires ongoing investment to maintain its operations and technological competitiveness. The capital contribution pursuant to the Capital Increase Agreement is intended to ensure sufficient funding for Shanghai Regenelead's operations, product research and development and business development, which may in turn increase the Company's investment returns.

Having reviewed the terms of the Capital Increase Agreement, the Directors (including the independent non-executive Directors) are of the view that:

(i) the terms of the Capital Increase Agreement are fair and reasonable;

(ii) the entering into of the Capital Increase Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Company; and

(iii) the entering into of the Capital Increase Agreement is in the interest of the Company and its shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

The Company

The Company is a leading innovative global pharmaceutical company rooted in China. The Company and its subsidiaries are principally engaged in the research and development, manufacture and sale of pharmaceutical products.

Hengrui Group

Hengrui Group is a limited liability company established in the PRC which is principally engaged in industrial investment, investment management and consulting services.

As at the date of this announcement, Hengrui Group directly holds approximately 23.18% of the total issued share capital of the Company and is a substantial shareholder of the Company. Hengrui Group is controlled by Mr. Sun Piaoyang, the chairman of the Board and an executive Director.

Shengdi Biomedical Fund

Shengdi Biomedical Fund is a limited partnership established in the PRC which is principally engaged in equity investment, investment management, asset management, and other activities through private equity funds.

As at the date of this announcement, the partnership interest in Shengdi Biomedical Fund is held as to 48.54%, 48.54%, 2.43% and 0.49% by each of the Company, Hengrui Group, an independent third party and Shanghai Shengdi Private Equity Fund Management Co., Ltd. (上海盛迪私募基金管理有限公司) (a subsidiary of the Company and the executive managing partner of Shengdi Biomedical Fund), respectively. For the avoidance of doubt, Shengdi Biomedical Fund is not a subsidiary of the Company nor Hengrui Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shengdi Biomedical Fund is an independent third party of the Company.

Shenzhen Yingtai

Shenzhen Yingtai is a limited liability company established in the PRC which is principally engaged in providing asset and investment management services, consulting, investment and management of equity investment funds.

As at the date of this announcement, Shenzhen Yingtai is wholly-owned by Mr. Cen Junda (岑均達), a substantial shareholder of the Company. Mr. Cen indirectly holds approximately 14.35% of the total issued share capital of the Company.

Shanghai Regenelead

Shanghai Regenelead is a limited liability company established in the PRC which is principally engaged in technology development, technology consulting, technology services and technology transfer in the pharmaceutical field. As at the date of this announcement, the Company, Hengrui Group, Shengdi Biomedical Fund and Shenzhen Yingtai each holds 38.0%, 28.0%, 19.0% and 15.0% of the equity interest in Shanghai Regenelead, respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Regenelead is a commonly held entity (as defined under the Listing Rules) and an independent third party of the Company.

The audited financial information for the year ended December 31, 2024 and the unaudited financial information for the year ended December 31, 2025 of Shanghai Regenelead are as follows:

	Year ended December 31, 2024 Audited *(RMB thousand)*	**Year ended December 31, 2025** Unaudited *(RMB thousand)*
Revenue	5,806.8	4,557.5
Net Profit/(Loss)	(146,601.0)	(258,528.9)

	As at December 31, 2024 Audited *(RMB thousand)*	**As at December 31, 2025** Unaudited *(RMB thousand)*
Total Assets	246,681.2	249,797.7
Net Assets	192,263.5	(66,265.2)

LISTING RULES IMPLICATIONS

As of the date of this announcement, Hengrui Group is a substantial shareholder of the Company and Shenzhen Yingtai is wholly-owned by Mr. Cen, a substantial shareholder of the Company. Accordingly, Hengrui Group and Shenzhen Yingtai constitute connected persons of the Company under Rule 14A.07 of the Listing Rules. The transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

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Mr. Sun Piaoyang (the chairman of the Board and an executive Director, who also controls and serves as a director of Hengrui Group) and Mr. Zhang Lianshan (an executive Director who is also a member of the investment committee of Shengdi Biomedical Fund) are considered to have a material interest in the Capital Increase Agreement and the transactions contemplated thereunder, and have therefore abstained from voting on the Board resolutions in relation to the approval of the Capital Increase Agreement.

Save as disclosed above, none of the Directors are deemed to have a material interest in the Capital Increase Agreement and none of them had to abstain from voting on the Board resolution in relation to the approval of the Capital Increase Agreement.

DEFINITIONS

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

"Board"	the board of Directors
"Capital Increase Agreement"	the capital increase agreement entered into between the Company, Hengrui Group, Shengdi Biomedical Fund, Shenzhen Yingtai and Shanghai Regenelead on March 25, 2026 to increase the registered capital of Shanghai Regenelead
"Company"	Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司), 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 Main Board of the Hong Kong Stock Exchange (stock code: 1276)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Hengrui Group"	Jiangsu Hengrui Pharmaceutical Group Co., Ltd. (江蘇恒瑞醫藥集團有限公司), a limited liability company established in the PRC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"independent third party(ies)"	a person or entity who is not a connected person of the Company
"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
"Mr. Cen"	Mr. Cen Junda (岑均達)
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules

"PRC" or "China"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Regenelead"	Shanghai Regenelead Therapies Co., Ltd. (上海瑞宏迪醫藥有限公司), a limited liability company established in the PRC
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shareholder(s)"	shareholder(s) of the Company
"Shengdi Biomedical Fund"	Shanghai Shengdi Biomedical Private Investment Fund Partnership (Limited Partnership) (上海盛迪生物醫藥私募投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
"Shenzhen Yingtai"	Shenzhen Yingtai Asset Management Co., Ltd. (深圳市迎泰資產管理有限公司), a limited liability company established in the PRC
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"%"	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
March 25, 2026

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.