
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jiangsu Hengrui Pharmaceuticals Co., Ltd., you should at once hand this circular together with the form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- (1) PROPOSED ADOPTION OF THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME**
- (2) PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME**
- (3) PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS RELATING TO THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME**
- (4) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME**
- (5) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE ADMINISTRATOR TO HANDLE MATTERS RELATING TO THE 2026 H SHARE SCHEME**
- (6) PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE H SHARES**
- AND**
- (7) NOTICE OF THE 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING**

A notice convening the Shareholders' Meeting of Jiangsu Hengrui Pharmaceuticals Co., Ltd. to be held on Thursday, September 24, 2026 at 2:30 p.m. at No. 1288, Haik Road, Pudong New Area, Shanghai, PRC is set out in this circular. A form of proxy for use at the Shareholders' Meeting is also enclosed and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.hengrui.com).

Shareholders who intend to appoint a proxy to attend the Shareholders' Meeting shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Shareholders' Meeting (i.e. not later than 2:30 p.m. on Wednesday, September 23, 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Shareholders' Meeting if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

September 8, 2026

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DEFINITIONS

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

“2026 A Share Employee Stock Ownership Scheme” or “2026 A Share Stock Ownership Scheme”	the 2026 A Share Employee Stock Ownership Scheme of the Company
“2026 A Share ESOP Duration Period”	the period commencing from the date when the draft 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme, until the date when all the Shares of the Company held by the 2026 A Share Employee Stock Ownership Scheme are fully sold or transferred to the Holders under the 2026 A Share Employee Stock Ownership Scheme and the assets of the 2026 A Share Employee Stock Ownership Scheme are liquidated and distributed in accordance with the provisions of the 2026 A Share Employee Stock Ownership Scheme
“2026 H Share Scheme”	the 2026 H Share Scheme of the Company
“2026 H Share Scheme Limit”	has the meaning ascribed to it under paragraph 11.1 of Appendix III to this circular
“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 RMB
“A Share ESOP Lock-up Period”	the period during which the conditions for the Holders to vest their rights under the 2026 A Share 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 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme

DEFINITIONS

“Actual Selling Price”	has the meaning ascribed to it under paragraph 7.3.2 of Appendix III to this circular
“Administrator”	the person(s) duly delegated and authorized by the Board for the purpose of administering the 2026 H Share Scheme
“Administrative Measures”	the Administrative Measures for the 2026 A Share Employee Stock Ownership Scheme
“Adoption Date”	the date on which the adoption of the 2026 H Share Scheme is approved by the Shareholders at a general meeting by way of special resolution
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Award(s)”	award(s) granted by the Administrator to an Eligible Participant as the Administrator may determine in accordance with the terms of the 2026 H Share Scheme, which may take the form of an RSU Award
“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Hong Kong Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China” or “PRC”	the People’s Republic of China, excluding, for the purposes of the 2026 H Share Scheme and this circular only, Hong Kong, the Macau Special Administrative Region and Taiwan Region
“close associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules

DEFINITIONS

“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 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)
“Company Law”	the Company Law of the PRC, as amended from time to time
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	any director (including independent non-executive director) of the Company
“Eligible Participant(s)”	any Employee Participant who the Administrator considers, in its sole discretion, has the eligibility ascribed in the 2026 H Share Scheme, provided that no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2026 H Share Scheme is not permitted under the laws and regulations of such place, or where, in the view of the Board or the Administrator, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2026 H Share Scheme
“Employee Participant(s)”	any Director or employee of the Company or any of its subsidiaries (including any person who is granted Awards under the 2026 H Share Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries)

DEFINITIONS

“Grant”	the offer of the grant of an Award to be made in accordance with the 2026 H Share Scheme
“Grant Date”	the date (which shall be a Business Day) on which the Grant is made to an Eligible Participant, being the date stated in the Grant Letter(s)
“Grant Letter”	an offer of grant of Award to Selected Participants made by the Administrator by way of a letter in writing
“Grantee”	any Eligible Participant who accepts a Grant or is deemed to have accepted a Grant in accordance with the terms of the 2026 H Share Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries from time to time, each a “Group Company”
“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》)
“H Share(s)”	overseas-listed foreign share(s) 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
“H Share Repurchase Mandate”	a general mandate proposed to be granted to the Board to repurchase H Shares on the Hong Kong Stock Exchange of not exceeding 10% of the total number of H Shares in issue (excluding any Treasury Shares) as at the date of passing of the proposed special resolution contained in item 6 of the Notice of Shareholders’ Meeting
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Holder(s)”, “Target Holder(s)” or “A Share ESOP Participant(s)”	employees of the Company who participate in the subscription of Shares under the 2026 A Share Employee Stock Ownership Scheme

DEFINITIONS

“Holders’ Meeting(s)”	the Holders’ meeting(s) of the 2026 A Share Employee Stock Ownership Scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“IND”	Investigational New Drug
“Latest Practicable Date”	August 31, 2026, being the latest practicable date prior to the date of this circular for ascertaining certain information in this circular
“Management Committee”	the management committee of the 2026 A Share Employee Stock Ownership Scheme
“NDA”	New Drug Application
“NME”	new molecular entity
“Notice of Shareholders’ Meeting”	the notice of the Shareholders’ Meeting dated September 8, 2026
“Purchase Price”	the price (if any) payable by a Grantee to purchase H Shares under the 2026 H Share Scheme, which shall be determined at the sole and absolute discretion of the Administrator
“Relevant Scheme(s)”	the 2026 H Share Scheme and other share options schemes and/or RSU schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“RSU(s)”	restricted share unit(s) to be granted under the 2026 H Share Scheme, each of which represents one underlying H Share, and/or represents a conditional right granted to any Selected Participant(s) pursuant to the 2026 H Share Scheme to obtain the corresponding economic value of the underlying H Shares, less any tax, stamp duty and other charges applicable, as determined by the Administrator in its absolute discretion
“Securities Law”	the Securities Law of the PRC, as amended from time to time
“Self-regulation Guidance No. 1”	the Self-regulatory Guideline No. 1 for Companies Listed on the Shanghai Stock Exchange – Standardised Operation
“Selected Participant(s)”	any Eligible Participant(s) selected by the Administrator in accordance with the terms of the 2026 H Share Scheme
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Meeting”	the 2026 first extraordinary shareholders’ meeting of the Company to be held at 2:30 p.m. on Thursday, September 24, 2026
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“substantial shareholder”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Treasury Shares”	has the meaning ascribed to it under the Hong Kong Listing Rules

DEFINITIONS

“Trust”	the trust constituted under the Trust Deed
“Trust Deed”	a trust deed entered into or to be entered into between the Company as the settlor and the Trustee as the trustee in respect of the appointment of the Trustee for the administration of the 2026 H Share Scheme (as restated, supplemented and amended from time to time)
“Trustee”	the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) appointed by the Company for the administration of the 2026 H Share Scheme or any additional or replacement trustee(s)
“Underlying Share(s)”	A Shares legally acquired and held under the 2026 A Share Employee Stock Ownership Scheme
“Vesting Date”	the date(s) of the vesting of the RSUs which shall be determined from time to time by the Administrator in accordance with the 2026 H Share Scheme and the Grant Letter(s)
“%”	per cent

In this circular, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter. Further, certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain paragraphs and tables in this circular may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Sun Piaoyang
Mr. Dai Hongbin
Ms. Feng Ji
Mr. Zhang Lianshan
Mr. Jiang Frank Ningjun
Mr. Sun Jieping

Registered Office in the PRC:

No. 38 Huanghe Road
Economic and Technological
Development Zone
Lianyungang City
Jiangsu Province
PRC

Non-executive Director

Ms. Guo Congzhao

Principal Place of Business

in Hong Kong:

Room 1920, 19/F,
Lee Garden One,
33 Hysan Avenue,
Causeway Bay,
Hong Kong

Independent Non-executive Directors:

Mr. Lou Liguang
Mr. Zeng Qingsheng
Mr. Sun Jinyun
Mr. Chow Kyan Mervyn

September 8, 2026

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED ADOPTION OF THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME
- (2) PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME
- (3) PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS RELATING TO THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME
- (4) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME
- (5) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE ADMINISTRATOR TO HANDLE MATTERS RELATING TO THE 2026 H SHARE SCHEME
- (6) PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE H SHARES
- AND
- (7) NOTICE OF THE 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with the Notice of Shareholders' Meeting and the information in respect of certain resolutions to be proposed at the Shareholders' Meeting to be held on Thursday, September 24, 2026 for, among other things, (i) the proposed adoption of the 2026 A Share Stock Ownership Scheme; (ii) the proposed adoption of the Administrative Measures for the 2026 A Share Employee Stock Ownership Scheme; (iii) the proposed authorization to the Board to deal with matters relating to the 2026 A Share Stock Ownership Scheme; (iv) the proposed adoption of the 2026 H Share Scheme; (v) the proposed authorization to the Board and/or the Administrator to handle matters relating to the 2026 H Share Scheme; and (vi) the proposed granting of a general mandate to repurchase H Shares.

II. MATTERS TO BE CONSIDERED AT THE SHAREHOLDERS' MEETING

(1) Proposed Adoption of the 2026 A Share Employee Stock Ownership Scheme

1. Principal Terms of the 2026 A Share Stock Ownership Scheme

The principal terms of the 2026 A Share Stock Ownership Scheme are set out below:

A. Purpose of the Scheme

The Company implemented the 2026 A Share Stock Ownership 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.

B. Participants and Criteria for Determination of Participation in the Scheme

1. Legal Basis for Determining Holders of the Scheme

The A Share ESOP Participants are determined in accordance with the relevant laws, such as the Company Law, the Securities Law, the Guiding Opinions, the Self-regulation Guidance No. 1, administrative regulations, rules, normative documents and relevant provisions of the Articles of Association.

LETTER FROM THE BOARD

2. Basis for Determination of Target Holders

The Target Holders under the 2026 A Share Employee Stock Ownership Scheme shall be employees of the Company, who shall participate in the 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme shall fall within one of the following criteria:

1. Directors (excluding independent Directors), 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 Scheme

The total number of employees participating in the 2026 A Share Employee Stock Ownership Scheme is expected to be no more than 1,269, of which the total number of Directors (excluding independent Directors), and senior management of the Company shall not exceed 8. The specific number of A Share ESOP Participants and final subscription amounts will be determined based on the actual subscription status by employees.

The information on the Target Holders under the 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme (%)
Directors (excluding independent Directors), senior management of the Company (a total of 8 persons): Dai Hongbin, Feng Ji, Zhang Lianshan, Jiang Frank Ningjun, Sun Jieping, Zhu Guoxin, Lau Kin Chun, Tian Fei	61.2	4.76

LETTER FROM THE BOARD

Holders	Maximum number of units to be subscribed and held (ten thousand)	Proportion to the total number of units of the 2026 A Share Employee Stock Ownership Scheme (%)
Core management personnel and key employees of the Company	1,224.3	95.24
Total	1,285.5	100

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. The Management Committee is authorized by the Board to adjust the list of Target Holders and their subscription units.

The final number and the list of A Share ESOP Participants and their number of shared subscribed under the 2026 A Share Employee Stock Ownership Scheme shall be subject to the actual payment of the employees.

C. Size, Source of Funds, Source of Shares and Purchase Price of the Scheme

1. Size of the Scheme

Under the 2026 A Share Employee Stock Ownership Scheme, the Company shall repurchase no more than 12.855 million A Shares, representing 0.19% of the total share capital of the Company as at the date of announcement of the 2026 A Share Employee Stock Ownership Scheme. The final number of Underlying Shares held under the 2026 A Share Employee Stock Ownership Scheme shall be subject to the actual implementation of the 2026 A Share Employee Stock Ownership 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 2026 A Share Employee Stock Ownership Scheme to the completion date of the transfer of repurchased shares under the 2026 A Share Employee Stock Ownership 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 2026 A Share Employee Stock Ownership 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

LETTER FROM THE BOARD

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

The source of funds for the 2026 A Share Employee Stock Ownership 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 A Share ESOP Participants. No arrangement has been made by third parties to provide any rewards, funding, subsidies or catch-all payments to the A Share ESOP Participants under the 2026 A Share Employee Stock Ownership Scheme.

The Holders of the 2026 A Share Employee Stock Ownership Scheme shall pay the subscription funds in full and on time for their subscription units. The Company shall notify all A Share ESOP Participants uniformly of the payment schedule of the 2026 A Share Employee Stock Ownership 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

The source of shares for the 2026 A Share Employee Stock Ownership Scheme is the repurchased A Shares of the Company in the designated securities repurchase account of the Company. After the establishment of the 2026 A Share 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. Purchase Price and Pricing Basis

After the establishment of the 2026 A Share 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 26.21 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 2026 A Share Employee Stock Ownership Scheme;
2. 50% of the average trading price of A Shares of the Company on the 60 trading days before the announcement of the draft 2026 A Share Employee Stock Ownership Scheme.

LETTER FROM THE BOARD

During the period from the announcement date of the Board resolution to review the draft 2026 A Share Employee Stock Ownership Scheme to the completion date of the transfer of repurchased shares under the 2026 A Share Employee Stock Ownership 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 2026 A Share Employee Stock Ownership Scheme involves a partial discount compared to the current market price. This helps to encourage employees to participate in the 2026 A Share 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 realizing 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 the A Share ESOP 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 2026 A Share 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.

D. Duration Period, Lock-Up Period and Appraisal Criteria of the Scheme

1. Duration Period

The 2026 A Share ESOP Duration Period shall be 60 months, commencing from the date when the 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme. When the 2026 A Share ESOP Duration Period expires and is not further extended, the 2026 A Share Employee Stock Ownership 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 2026 A Share Employee Stock Ownership Scheme are sold or transferred during the 2026 A Share ESOP Duration Period.

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Within two months prior to the expiration of the 2026 A Share ESOP Duration Period of the Scheme, in case that there remains unsold or untransferred shares of the Company held by the 2026 A Share Employee Stock Ownership Scheme, the 2026 A Share ESOP Duration Period 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 2026 A Share Employee Stock Ownership Scheme cannot be fully disposed of before the expiration of the 2026 A Share ESOP Duration Period due to the suspension of trading of Shares or a relatively short window period, the 2026 A Share ESOP Duration Period 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

The A Share ESOP Lock-up Period of the Underlying Shares obtained via the 2026 A Share Employee Stock Ownership Scheme shall start from the date on which the Company announces the transfer of the corresponding tranche of Underlying Shares to the 2026 A Share Employee Stock Ownership 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 2026 A Share Employee Stock Ownership Scheme. The maximum number of shares eligible for unlocking shall not exceed 40% of the total Underlying Shares held under the 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme. The maximum number of shares eligible for unlocking shall not exceed 30% of the total Underlying Shares held under the 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme. The maximum number of shares eligible for unlocking shall not exceed 30% of the total Underlying Shares held under the 2026 A Share Employee Stock Ownership Scheme.

The Underlying Shares of the 2026 A Share Employee Stock Ownership 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.

LETTER FROM THE BOARD

The trading restrictions on the 2026 A Share Employee Stock Ownership Scheme shall be implemented in accordance with the latest revised relevant regulations of the CSRC and the Shanghai Stock Exchange.

E. Management Model of the Scheme

The 2026 A Share Employee Stock Ownership Scheme adopts a self-management model. The internal entity with the highest management authority of the 2026 A Share Employee Stock Ownership Scheme is the Holders' Meeting, which is composed of all Holders of the 2026 A Share Employee Stock Ownership Scheme. The Management Committee of the 2026 A Share Employee Stock Ownership Scheme is elected through the Holders' Meeting and is authorized to oversee the daily management of the 2026 A Share Employee Stock Ownership 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 2026 A Share Employee Stock Ownership Scheme and ensure the security of assets of the 2026 A Share Employee Stock Ownership Scheme.

The "Administrative Measures of the 2026 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 2026 A Share Employee Stock Ownership Scheme and handling other matters related to the 2026 A Share Employee Stock Ownership Scheme within the scope of authorization of the Shareholders' meeting. Depending on the implementation of this 2026 A Share Employee Stock Ownership Scheme, qualified professional organizations may be engaged to provide consulting, management, and other services for the 2026 A Share Employee Stock Ownership Scheme.

F. Distribution of Rights and Interests during the Duration Period

1. The Holders of the 2026 A Share Employee Stock Ownership Scheme shall be entitled to the asset-related rights and interests of the Shares held by the 2026 A Share Employee Stock Ownership Scheme in proportion to their actual capital contribution. Holders shall enjoy Shareholder rights through the corresponding Shares obtained via the 2026 A Share 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 2026 A Share ESOP Duration Period, unless otherwise specified by laws, administrative regulations, departmental rules or with the consent of the Management Committee, the Holders, without authorization, 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 2026 A Share Employee Stock Ownership Scheme.

LETTER FROM THE BOARD

3. The Holders shall not require any distributions of the rights and interests of the 2026 A Share Employee Stock Ownership Scheme within the A Share ESOP 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 A Share ESOP Lock-up Period, the new Shares obtained under the 2026 A Share 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 A Share ESOP Lock-up Period and within the 2026 A Share ESOP Duration Period, the Management Committee, based on the authorization of the Holders' Meeting, shall sell the corresponding Underlying Shares or transfer them to the Holders of units under the current 2026 A Share Employee Stock Ownership Scheme in due course within the 2026 A Share ESOP Duration Period after the unlocking date of the 2026 A Share Employee Stock Ownership Scheme.
6. Within the 2026 A Share ESOP Duration Period, when the Underlying Shares held by the 2026 A Share Employee Stock Ownership Scheme are disposed of for cash or other distributable income is obtained, the 2026 A Share 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 2026 A Share Employee Stock Ownership Scheme, distribute the earnings in proportion to the units held by the Holders to the total units of the 2026 A Share Employee Stock Ownership Scheme.
7. Within the 2026 A Share ESOP Duration Period, when the Company distributes cash dividends or pays dividends, the cash dividends obtained by the 2026 A Share Employee Stock Ownership Scheme from holding the Company's Shares shall be recorded as monetary assets of the 2026 A Share Employee Stock Ownership Scheme and shall not be distributed temporarily. Upon expiration of the A Share ESOP Lock-up Period, 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 2026 A Share Employee Stock Ownership Scheme shall be determined by the Management Committee.

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G. Changes and Termination of the 2026 A Share Employee Stock Ownership Scheme

1. Alteration of the Scheme

During the 2026 A Share ESOP Duration Period, any alteration to the 2026 A Share Employee Stock Ownership 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

The 2026 A Share Employee Stock Ownership Scheme shall terminate automatically upon expiration of the 2026 A Share ESOP Duration Period.

After the expiration of the A Share ESOP Lock-up Period, the 2026 A Share Employee Stock Ownership Scheme may be terminated in advance upon completion of the relevant procedures when all the Underlying Shares held by the 2026 A Share Employee Stock Ownership Scheme are sold or transferred.

2. Approval of the 2026 A Share Employee Stock Ownership Scheme by the Board and the Shareholders at the Shareholders' Meeting

The resolution in relation to the adoption of the 2026 A Share Employee Stock Ownership Scheme was considered and approved at the meeting of the Board held on August 19, 2026. On the same date, the Board has also resolved to propose the 2026 A Share Employee Stock Ownership Scheme to be approved by the Shareholders at the Shareholders' Meeting. An ordinary resolution will be proposed at the Shareholders' Meeting to consider and, if thought fit, approve the adoption of the 2026 A Share Employee Stock Ownership Scheme.

As A Share ESOP Participants, Mr. Dai Hongbin, Ms. Feng Ji, Mr. Zhang Lianshan, Mr. Jiang Frank Ningjun and Mr. Sun Jieping have a material interest in the Employee Stock Ownership Scheme and have abstained from voting on the Board resolution approving the 2026 A Share Employee Stock Ownership Scheme.

Save as aforesaid, no Directors have abstained from voting on the relevant Board resolution due to their participation in the 2026 A Share Employee Stock Ownership Scheme. No Directors have a material interest in the 2026 A Share Employee Stock Ownership Scheme.

3. Purpose and Reasons for and Benefits of the Adoption of the 2026 A Share Employee Stock Ownership Scheme

The purpose of the 2026 A Share Employee Stock Ownership Scheme is to enhance the cohesion of employees and the competitiveness of the Company, and mobilize the enthusiasm and creativity of employees by holding the Shares, establishing and improving the benefit sharing mechanism for employees and Shareholders, and improving corporate governance, and

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ultimately to promote the long-term, sustainable and healthy development of the Company. The 2026 A Share Employee Stock Ownership Scheme is formulated in accordance with the relevant rules and regulations and the Articles of Association.

The Company is of the view that the adoption and implementation of the 2026 A Share Employee Stock Ownership Scheme is beneficial to the Company and its Shareholders as a whole, and the terms and conditions of the 2026 A Share Employee Stock Ownership Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given the nature of the business of the Company and the highly competitive industry in which it operates, it is extremely important for the Company to recruit and retain talents, and the Company's long-term development plan will highly depend on the loyalty and contribution of the participants. The Stock Ownership Scheme is considered a critical component of the Company's employee appraisal system and effectively aligns the employee's achievements at the individual level with the Company's overall performance. The Company is of the view that the adoption of the 2026 A Share Employee Stock Ownership Scheme will help the Company to achieve the aforesaid goals.

4. *Hong Kong Listing Rules Implications*

The 2026 A Share 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 2026 A Share 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 and chief executive of the Company, participation by each of such Directors and chief executive of the Company in the 2026 A Share 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 2026 A Share 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.

(2) Proposed Adoption of the Administrative Measures for the 2026 A Share Employee Stock Ownership Scheme

To ensure the smooth implementation of the 2026 A Share Employee Stock Ownership Scheme, the Administrative Measures have been formulated in accordance with the provisions of the relevant laws, regulations and regulatory documents, including the Company Law, the

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Securities Law, the Guiding Opinions, the Self-regulation Guidance No. 1, the Hong Kong Listing Rules, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Articles of Association and the 2026 A Share Employee Stock Ownership Scheme.

The full text of Administrative Measures is set out in Appendix II to this circular. The Administrative Measures were prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Administrative Measures, the Chinese version shall prevail.

An ordinary resolution will be proposed at the Shareholders' Meeting to consider and, if thought fit, approve the proposed adoption of the Administrative Measures.

(3) Proposed Authorization to the Board to deal with matters relating to the 2026 A Share Employee Stock Ownership Scheme

To ensure the smooth implementation of the 2026 A Share Stock Ownership Scheme, it is proposed at the Shareholders' Meeting that the Board shall be authorized to handle all matters relating to the Stock Ownership Scheme, including but not limited to the following:

- (a) To authorize the Board to be responsible for the implementation of 2026 A Share Stock Ownership Scheme;
- (b) To authorize the Board to handle the amendments to and termination of the 2026 A Share Employee Stock Ownership Scheme;
- (c) To authorize the Board to make decisions on the extension of the 2026 A Share ESOP Duration Period and early termination of the 2026 A Share Stock Ownership Scheme;
- (d) To authorize the Board to amend and interpret the draft 2026 A Share Stock Ownership Scheme and the Administrative Measures for the 2026 A Share Employee Stock Ownership Scheme;
- (e) To authorize the Board to decide on matters related to the 2026 A Share Employee Stock Ownership Scheme participating in the Company's rights issues and other refinancing matters within the 2026 A Share ESOP Duration Period;
- (f) To authorize the Board to change the criteria for determining the A Share ESOP Participants of the 2026 A Share Employee Stock Ownership Scheme;
- (g) To authorize the Board to determine and change the management methods and means of the 2026 A Share Employee Stock Ownership Scheme;

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- (h) To authorize the Board to handle all procedures relating to the securities and capital accounts involved in the 2026 A Share Employee Stock Ownership Scheme, as well as the lock-up, unlocking and distribution of transferred Shares;
- (i) To authorize the Board to formulate and sign contracts and agreements related to the 2026 A Share Employee Stock Ownership Scheme;
- (j) The Board is authorized to make corresponding adjustments to the 2026 A Share Employee Stock Ownership Scheme in accordance with the new laws, regulations and policies upon any change thereof within the 2026 A Share ESOP Duration Period after the approval of the 2026 A Share Employee Stock Ownership Scheme by the Shareholders' Meeting;
- (k) To propose to the Shareholders' Meeting to authorize the Board to deal with any matters related to announcements, circulars, etc. required to be disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) or the website of Hong Kong Stock Exchange (<https://www.hkexnews.hk>), and to deal with any compliance matters related to the Scheme with the Shanghai Stock Exchange or Hong Kong Stock Exchange;
- (l) To authorize the Board to handle other necessary matters required by the 2026 A Share Employee Stock Ownership Scheme, except for the rights that shall be exercised by the shareholders' meeting as stipulated in the relevant laws, regulations, normative documents and Articles of Association.

The above authorization shall be valid from the date of approval at the Shareholders' Meeting to the date of completion of the implementation of the 2026 A Share Stock Ownership Scheme.

An ordinary resolution will be proposed at the Shareholders' Meeting to consider and, if thought fit, approve the proposed authorization to the Board to deal with matters relating to the 2026 A Share Stock Ownership Scheme.

(4) Proposed Adoption of the 2026 H Share Scheme

1. Background

Reference is made to the announcement of the Company dated August 19, 2026 in relation to the proposed adoption of the 2026 H Share Scheme. The Board has resolved to propose the adoption of the 2026 H Share Scheme.

The proposed adoption of the 2026 H Share Scheme and the proposed authorization to the Board and/or the Administrator to handle matters relating to the 2026 H Share Scheme are subject to the approval of the Shareholders by special resolutions at the Shareholders' Meeting.

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The 2026 H Share Scheme is intended to be funded by new H Shares, existing H Shares and/or Treasury Shares of the Company. Therefore, the 2026 H Share Scheme will constitute a share scheme involving issue of new shares by the Company and the terms and conditions of which are required to comply with Chapter 17 of the Hong Kong Listing Rules. For the purpose of the 2026 H Share Scheme, (i) references to new H Shares include Treasury Shares; and (ii) references to the issue of new H Shares include the transfer of Treasury Shares (subject to the requirements of the relevant Hong Kong Listing Rules).

2. Conditions for implementation of the 2026 H Share Scheme

The implementation of the 2026 H Share Scheme is subject to, among other things, (i) the passing of special resolutions at the Shareholders' Meeting; and (ii) the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and permission to deal in, the new H Shares to be issued and allotted pursuant to all the Awards to be granted under the 2026 H Share Scheme.

Application(s) will be made to the Hong Kong Stock Exchange for the approval for the listing of, and permission to deal in, the H Shares to be allotted and issued in respect of the Awards that may be granted under the 2026 H Share Scheme.

3. Principal Terms of the 2026 H Share Scheme

For the full text of the 2026 H Share Scheme, please refer to Appendix III to this circular. The principal terms of the 2026 H Share Scheme are summarized below:

A. Purpose

The purpose of the 2026 H Share Scheme is set out in the paragraph headed "2. Purpose of this Scheme" in Appendix III to this circular.

B. Eligibility

The Eligible Participants are the Employee Participants. Details of the Eligible Participants and the criteria for determination of their eligibility are set out in the paragraph headed "5. Eligibility" in Appendix III to this circular.

Employee Participants

Employee Participants refer to any Director or employee of the Company or any of its subsidiaries (including any person who is granted Awards under the 2026 H Share Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries).

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The eligibility of the Eligible Participants to the grant of the Awards shall be determined by the Administrator from time to time and on a case-by-case basis subject to the Administrator's opinion as to his/her contribution to the development and growth of the Group or such other factors as the Administrator may deem appropriate, including but not limited to: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and reputation, responsibilities and employment conditions; (b) their length of service with the Group; (c) their contributions or potential contributions to the development and growth of the Group; (d) the level of support, assistance, guidance, advice and effort they have provided or will provide in relation to the business development of the Group; (e) in the case of existing employees holding management positions, the contribution of their respective departments to the long-term operations and development of the Group; and (f) any other factors the Administrator may consider appropriate at its discretion.

The Board considers that the adoption of the 2026 H Share Scheme is consistent with prevailing market practices for share-based incentive arrangements. Through the grant of Awards, the 2026 H Share Scheme is intended to foster closer alignment between the interests of Employee Participants and those of the Company and the Shareholders. It is also intended to incentivise Employee Participants to enhance enterprise value and to support the Group in achieving its long-term objectives, to the benefit of the Group as a whole.

Independent non-executive Directors

The scope of Eligible Participants includes independent non-executive Directors. The Board has taken into account that (i) share-based remuneration is an effective means of aligning the interests of Board members (including independent non-executive Directors) with those of Shareholders; (ii) this approach is a common market practice among public companies; and (iii) independent non-executive Directors contribute significantly to the Group through their professional expertise, independent judgement, and oversight of corporate governance and internal controls. The Board considers that the inclusion of independent non-executive Directors as Eligible Participants, together with the flexibility to grant them Awards beyond cash remuneration, will assist the Company in maintaining a competitive remuneration package and thereby attract and retain talent.

The Company considers that the independence and impartiality of the independent non-executive Directors will not be compromised by the potential Grant of any Award to them for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirements under Rule 3.13 of the Hong Kong Listing Rules; (ii) should any Award be granted to the independent non-executive Directors or any of their respective associates, and such Award results in the total number of Shares issued and to be issued in respect of all share options and awards granted to that person

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during the twelve (12)-month period up to and including the Grant Date representing more than 0.1% of the total number of issued Shares (excluding any Treasury Shares, if any), such Award shall be subject to the Shareholders' approval; and (iii) the Board shall be mindful of the recommended best practice E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules, which recommends that issuers should generally not grant equity-based remuneration (such as share options or share grants) with performance-related elements to independent non-executive Directors when considering future awards to them.

Based on the above, the Board (including the independent non-executive Directors) considers that the inclusion of Employee Participants as Eligible Participants, the criteria for selection of Eligible Participants, and the terms of any possible Grants under the 2026 H Share Scheme can align with the purpose of the 2026 H Share Scheme, and are (i) fair and reasonable, (ii) in the long term interests of the Company and its Shareholders as a whole, and (iii) in line with the Company's business needs and industry norms.

C. Scheme Limit and Scheme Mandate Limit

The maximum number of H Shares which may be issued in connection with the 2026 H Share Scheme must not exceed 1,000,000 H Shares (representing approximately 0.4% of the total number of H Shares in issue (excluding any Treasury Shares) as at the Adoption Date (the “**2026 H Share Scheme Limit**”), assuming that no further H Shares will be allotted, issued, repurchased or cancelled from the date of this circular up to the Adoption Date). In any event, unless a higher threshold is permissible under the Hong Kong Listing Rules or any other applicable laws and regulations, the maximum number of new Shares that may be issued and/or treasury Shares that may be transferred in respect of all options and awards to be granted under all Relevant Schemes of the Company (including options or awards that have been cancelled but excluding those lapsed in accordance with the terms of the respective Relevant Schemes) shall not exceed 10% of the number of Shares in issue (excluding treasury Shares) on the Adoption Date (the “**Scheme Mandate Limit**”), representing no more than 662,576,862 Shares, (assuming that no further Shares will be allotted, issued, repurchased or cancelled from the date of this circular up to the Adoption Date). The Company shall not make any further grant of awards which will result in the Scheme Mandate Limit being exceeded unless the Shareholders have approved a refreshment of the Scheme Mandate Limit or Shareholders' approval has been obtained in compliance with the Hong Kong Listing Rules.

For the purposes of calculating the Scheme Mandate Limit, Awards that have already lapsed in accordance with the terms of the 2026 H Share Scheme and any other Relevant Schemes shall not be regarded as utilized. Where the Awards are funded by existing Shares, such Awards shall not be regarded as utilized for the purposes of calculating the Scheme Mandate Limit.

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D. Individual Limit

Where any Grant of Awards to an Eligible Participant except for a Director would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the 2026 H Share Scheme and any other Relevant Schemes (excluding any options and awards already lapsed in accordance with the terms of the 2026 H Share Scheme and other Relevant Schemes) in the 12-month period up to and including the Grant Date representing in aggregate over 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall be subject to relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

Where any Grant of Awards to an independent non-executive Director or a substantial shareholder (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards granted to such person under the 2026 H Share Scheme and any other Relevant Schemes (excluding any options and awards already lapsed in accordance with the terms of the 2026 H Share Scheme and other Relevant Schemes) in the 12-month period up to and including the Grant Date representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall be subject to relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

Where any Grant of Awards to a Director (other than an independent non-executive Director) or the chief executive of the Company (or any of their respective associates) would result in the number of the Shares issued and to be issued in respect of all awards to such person under the 2026 H Share Scheme and any other Relevant Schemes (excluding any awards lapsed in accordance with the terms of the 2026 H Share Scheme and other Relevant Schemes) in the 12-month period up to and including the Grant Date representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall be subject to relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

E. Effectiveness and Duration

The 2026 H Share Scheme shall be valid and effective for a period of three (3) years commencing on the Adoption Date, after which no further Awards will be granted.

F. Vesting Period

The vesting period shall not be less than 12 months, save where the circumstances set out in paragraphs 7.6 to 7.8 of Appendix III to this circular arise.

The Board (and the Remuneration and Evaluation Committee in respect of Grants of Awards to the Directors and/or senior management members) considers that both the standard vesting period and the shorter vesting period applicable under the circumstances described in paragraphs 7.6 to 7.8 of Appendix III to the circular are appropriate and align with the purposes of the 2026 H Share Scheme to promote the long term sustainable

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development and objectives of the Company and to align the interests of the Grantees with the interests of the Company and its Shareholders. In particular, the shorter vesting period is appropriate given that the relevant circumstances occur infrequently, are beyond the control of the Grantees (and in certain cases, the Board and the Company), and the Grantees should not be prejudiced as a result.

G. Purchase Price

The Purchase Price (if any) of the RSUs under the 2026 H Share Scheme shall be determined at the sole and absolute discretion of the Administrator after taking into consideration (i) the purpose of the Award, (ii) the closing price of the H Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the Grant Date, (iii) the average closing price of the H Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the ten (10) Business Days immediately preceding the Grant Date and/or (iv) any other matter which the Administrator considers relevant. For the avoidance of doubt, the Administrator may determine the Purchase Price to be nil.

The Grantee may be required to pay HK\$1.00 (or such other nominal sum in any currency as the Administrator may determine) as consideration for the acceptance of the Grant within such period as the Administrator may determine. For the avoidance of doubt, the Administrator may determine the price for the acceptance of the Grant to be nil.

The above flexibility allows the Company to control the costs incurred by the Company from the Grant of Awards under the 2026 H Share Scheme by reserving the discretion to determine the Purchase Price on an individual basis taking into account the nature and degree of value benefiting the Group from granting Awards to such grantee, which aligns with the purpose of the 2026 H Share Scheme.

H. Performance Targets

The Administrator may, in its absolute discretion, as it thinks fit, set performance targets for the Grantees on a case-by-case basis to ensure the Awards vested would be beneficial to the Group, with general factors to be taken into account including but not limited to (i) at the Company level, revenue from sales of innovative drugs, number of IND approvals for NMEs, and number of NDA applications declared and accepted for innovative drugs (including new indications); and (ii) at the individual level, (subject to the Company level performance target being satisfied), individual performance appraisal results based on appraisal indicators set by the Company, which shall be finally concluded in the appraisal documents signed between the Company and the employees and confirmed by the Administrator.

The Administrator will conduct assessment at the end of a performance period by comparing the Group's overall performance and the individual performance of the Grantees with the pre-agreed performance targets to determine whether the targets have been met and the extent to which they have been met.

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The Board is of the view that the general performance targets described above provide the Administrator with appropriate flexibility to determine specific targets having regard to the circumstances of each Grant, thereby enabling the Company to offer suitable incentives to attract and retain talented personnel for the development of the Group. The Board further considers that the performance targets serve to motivate Grantees to enhance their individual performance and to contribute to the overall growth and business success of the Group. In light of the foregoing, the Board is satisfied that the performance targets are consistent with the purpose of the 2026 H Share Scheme and are in the interests of the Company and the Shareholders as a whole.

I. Clawback Mechanism

The Administrator may disqualify a Grantee from being an Eligible Participant and compulsorily claw back any RSUs (to the extent vested) from the date of occurrence of the earliest of the following events:

- (1) the Grantee has been identified as an inappropriate candidate by any stock exchange in the last 12 months;
- (2) the Grantee has been identified as an inappropriate candidate by CSRC and its dispatched agencies in the last 12 months;
- (3) the Grantee has been subjected to administrative penalties or securities market entry prohibition measures by CSRC or any of its dispatched agencies due to material breach of laws and regulations in the last 12 months;
- (4) the Grantee falls under any of the circumstances where one is prohibited from serving as a director, supervisor, or senior management of the Company as stipulated by the Company Law;
- (5) the Grantee is demoted to a position leading to loss of eligibility to participate in this Scheme, or the Company terminates the employment with the Grantee due to incompetence for the job;
- (6) the Grantee becomes a person who is prohibited from participating in a listed company's employee stock ownership plan as stipulated by laws and regulations;
- (7) the Grantee causes serious damages against the Company's interests or reputation due to his or her violation of laws, professional ethics, leaking corporate's confidential information, dereliction of duty or malfeasance, or breach of relevant provisions of the non-competition agreement signed with the Company; or
- (8) other circumstances as determined by the Hong Kong Stock Exchange, the CSRC and/or any other statutory or regulatory bodies.

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Upon the occurrence of a clawback event, with respect to RSUs vested in form of shares, the RSUs shall be repurchased by the Company at the Purchase Price (if any) or the Actual Selling Price (whichever is lower); with respect to RSUs vested in form of cash, the Grantee shall be required to disgorge the income from his/her vested RSU (if any).

The Board (and the Remuneration and Evaluation Committee in respect of Grants of Awards to the Directors and/or senior management members) is of the view that the clawback mechanism under the 2026 H Share Scheme enables the Board to claw back equity incentives granted to Eligible Participants in appropriate circumstances. The Board considers that the inclusion of such mechanism supports the objective of offering meaningful incentives to attract and retain talented personnel for the development of the Group, and is consistent with the purpose of the 2026 H Share Scheme and in the interests of the Company and the Shareholders as a whole.

In conclusion, the Directors are of the view that the terms of the 2026 H Share Scheme align with the purpose of the 2026 H Share Scheme.

J. Others

As at the Latest Practicable Date, the Company has no concrete plans or intention to grant Awards to the Eligible Participants under the 2026 H Share Scheme.

K. Hong Kong Listing Rules Implications

Pursuant to Chapter 17 of the Hong Kong Listing Rules, the 2026 H Share Scheme will constitute a share scheme of the Company involving the issuance of new Shares and therefore the adoption of the 2026 H Share Scheme is subject to the approval of the Shareholders. The terms of the 2026 H Share Scheme comply with the relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

The adoption of the 2026 H Share Scheme has been approved by the Board and is hereby proposed at the Shareholders' Meeting for Shareholders' consideration and approval.

(5) Proposed Authorization to the Board and/or the Administrator to Handle Matters Relating to the 2026 H Share Scheme

In order to ensure the successful implementation of the 2026 H Share Scheme, the Board proposed that, subject to the approval of the draft 2026 H Share Scheme by the Shareholders at the Shareholders' Meeting, the Shareholders also grant an authorization to the Board and/or the Administrator to deal with matters in relation to the 2026 H Share Scheme, including:

1. to authorize the Board and/or the Administrator to enter into the Trust Deed on behalf of the Company with the Trustee and to affix the Company seal onto such Trust Deed, pursuant to which the Trustee will provide trust services for the 2026 H Share Scheme;

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2. to authorize the Board and/or the Administrator to handle all the matters pertaining to the 2026 H Share Scheme, including:
 - (a) explain the rules of the 2026 H Share Scheme and the relevant provisions;
 - (b) make or modify the arrangements, guidelines, procedures and/or regulations for the management, interpretation, implementation and operation of the 2026 H Share Scheme, provided that such arrangements, guidelines, procedures and/or regulations shall not conflict with the rules of the 2026 H Share Scheme;
 - (c) grant Awards to the Eligible Participants selected by it from time to time;
 - (d) allot and issue from time to time such number of H Shares as required to be allotted and issued pursuant to the Awards granted under the terms and conditions of the 2026 H Share Scheme and the Hong Kong Listing Rules;
 - (e) approve the form and content of the Grant Letter;
 - (f) determine, review, approve and adjust the Grant Date, the list of Grantees, the number of RSUs to be granted, the Purchase Price and the vesting conditions;
 - (g) establish, evaluate and set the vesting conditions, and review the satisfaction of the vesting conditions;
 - (h) adjust, evaluate and review any change of the vesting conditions, or adjust the Vesting Date of any RSUs in accordance with the terms of the 2026 H Share Scheme;
 - (i) determine, review, approve and adjust the conditions or circumstances for the lapse of RSUs, and adjust, evaluate and review the effectiveness of any RSUs;
 - (j) review and approve the resolution for any special circumstance not specified in the 2026 H Share Scheme;
 - (k) decide other matters related to the implementation of the 2026 H Share Scheme in accordance with the applicable laws and regulations;
 - (l) select and appoint banks, accountants, trustees, lawyers, consultants and other professionals (if any) for the purpose of the 2026 H Share Scheme;
 - (m) sign, execute, amend and terminate all documents related to the 2026 H Share Scheme, conduct all procedures, filings and approvals related to the 2026 H Share Scheme, and take other steps or actions to give effect to the provisions, intention and implementation of the rules of the 2026 H Share Scheme;

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- (n) where applicable, upon completion of the issuance of new H Shares under the 2026 H Share Scheme, increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association based on the method, class, and quantity of new H Shares issued by the Company, as well as the shareholding structure of the Company at the time of issuance completion;
- (o) consider and approve all matters related to the trust arrangement;
- (p) amend the 2026 H Share Scheme within the scope of authorization granted by the Shareholders' Meeting; and
- (q) manage and conduct other matters necessary for the implementation of the 2026 H Share Scheme, except those matters to be decided by the Shareholders' Meeting.

The aforementioned authorization to the Board and/or the Administrator shall be valid from the date of approval by the Shareholders at the Shareholders' Meeting until the expiry of the duration of the 2026 H Share Scheme. The proposed adoption of the 2026 H Share Scheme and the proposed authorization to the Board and/or the Administrator to handle matters relating to the 2026 H Share Scheme are subject to the approval of the Shareholders by special resolutions at the Shareholders' Meeting.

(6) Proposed Granting of General Mandate to Repurchase H Shares

In accordance with the requirements of relevant laws, regulations, the Hong Kong Listing Rules and other normative documents, in order to provide flexibility to the Board in any event that it becomes desirable to repurchase H Shares, a special resolution will be proposed at the Shareholders' Meeting that the Board be granted a general mandate to repurchase H Shares not exceeding 10% of the total number of H Shares in issue (excluding any Treasury Shares) on the date of the passing of the special resolution relating to the mandate at the Shareholders' Meeting, and to authorize the Board to do all such deeds, acts, matters and business necessary or desirable for the purpose of or in connection with the exercise of the general mandate to repurchase H Shares.

As at the Latest Practicable Date, the number of issued H Shares of the Company was 258,197,600 H Shares and the Company had no Treasury Shares. Assuming that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the Shareholders' Meeting, the maximum number of H Shares which can be repurchased pursuant to the general mandate will be 25,819,760 H Shares.

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Details of the general mandate are as set out below:

(1) *Subject*

The specific scope of the mandate includes but is not limited to:

- (a) granting of a conditional general mandate to the Board and consenting to its delegation to the Company's management and/or other persons to repurchase H Shares in issue at the Hong Kong Stock Exchange in accordance with market conditions and needs of the Company, and in compliance with all applicable laws and regulations (as amended from time to time) of the PRC government or securities regulatory authorities, the Hong Kong Stock Exchange or any other governmental or regulatory authorities, provided that the number of repurchased H Shares shall not exceed 10% of the total number of H Shares of the Company in issue (excluding any Treasury Shares) on the date of passing the special resolution relating to the mandate at the Shareholders' Meeting; and
- (b) the Board and persons delegated by the Board be authorized to do all such deeds, acts, matters and business necessary or desirable for the purpose of or in connection with the exercise of the general mandate to repurchase H Shares, including (but not limited to) amendments to the Articles of Association, cancellation of the repurchased H Shares or the holding of repurchased H Shares as Treasury Shares after such general mandate has been exercised.

(2) *Conditions precedent*

The repurchase is conditional upon satisfaction of each of the following conditions:

- (a) the special resolution regarding the grant of the H Share Repurchase Mandate having been approved at the Shareholders' Meeting;
- (b) the Company having obtained the necessary approval or exemptions (as the case may be) from and/or filed with the State Administration of Foreign Exchange (SAFE) (or its successor authority) and/or any other regulatory authorities (if applicable) as may be stipulated under the PRC laws, rules and regulations, the Hong Kong Listing Rules and/or any other applicable laws, rules and regulations; and
- (c) the Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the Company Law and the Articles of Association. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.

LETTER FROM THE BOARD

The Board or persons delegated by the Board will not exercise the H Share Repurchase Mandate if the abovementioned conditions are not satisfied. Furthermore, the Board or persons delegated by the Board will not exercise the H Share Repurchase Mandate during any period when share repurchases are prohibited under the PRC laws, rules and regulations, the Hong Kong Listing Rules and/or any other applicable laws, rules and regulations.

(3) Term

The term of the H Share Repurchase Mandate shall commence from consideration and approval at the Shareholders' Meeting until the following dates (whichever is earlier):

- (a) the conclusion of the next annual general meeting of the Company, at which time it shall lapse unless, by special resolution passed at that meeting, the authority is renewed, either conditionally or unconditionally; or
- (b) the revocation or variation of the mandate by a special resolution at any general meeting of the Company.

The resolution in relation to the general mandate to repurchase H Shares has been considered and approved by the Board on August 19, 2026, and is hereby proposed at the Shareholders' Meeting for consideration.

An explanatory statement containing all the information relating to the H Share Repurchase Mandate is set out in Appendix IV to this circular, which provides the Shareholders with information reasonably required to make an informed decision as to whether voting in favor of or against the resolution regarding the grant of the H Share Repurchase Mandate to the Board and consent to its delegation to the Company's management and/or other persons.

II. THE SHAREHOLDERS' MEETING

The Shareholders' Meeting will be held at 2:30 p.m. on Thursday, September 24, 2026 at No. 1288, Haik Road, Pudong New Area, Shanghai, PRC.

The Notice of Shareholders' Meeting is set out on pages 129 to 130 of this circular and has been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.hengrui.com).

III. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares will be closed from Monday, September 21, 2026 to Thursday, September 24, 2026, both days inclusive, during which period no transfer of H Shares shall be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming Shareholders' Meeting to be held on Thursday, September 24, 2026. The record date will be Thursday, September 24, 2026.

LETTER FROM THE BOARD

To be eligible to attend and vote at the Shareholders' Meeting, all properly completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, September 18, 2026 for registration.

IV. PROXY ARRANGEMENT

The form of proxy of the Shareholders' Meeting is enclosed and published on the websites of the Hong Kong Stock Exchange and the Company. If you intend to appoint a proxy to attend the Shareholders' Meeting, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon.

For holders of H Shares, the form of proxy should be returned to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time fixed for holding the Shareholders' Meeting (i.e. not later than 2:30 p.m. on Wednesday, September 23, 2026) or any adjourned meeting(s) thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the Shareholders' Meeting or at any other adjourned meeting(s) should you so wish.

V. VOTING BY POLL

Any vote of Shareholders at the Shareholders' Meeting must be taken by poll except where the chairman of the Shareholders' Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules. Accordingly, the chairman of the Shareholders' Meeting will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the Shareholders' Meeting.

As at the date of this circular, Mr. Dai Hongbin, Mr. Zhang Lianshan and Mr. Sun Jieping, being both A Share ESOP Participants and Shareholders of the A Shares of the Company, shall abstain from voting on Resolutions 1, 2 and 3 at the Shareholders' Meeting. In addition, other relevant Shareholders interested in the 2026 A Share Employee Stock Ownership Scheme who actually hold Shares in the Company on the date of the Shareholders' Meeting (if any) shall also abstain from voting on the aforementioned resolutions, and Shareholders interested in the 2026 H Share Scheme who actually hold Shares in the Company on the date of the Shareholders' Meeting (if any) shall abstain from voting on Resolutions 4 and 5 at the Shareholders' Meeting.

As at the date of this circular, save as disclosed above, to the best knowledge, information and belief of the Directors, no Shareholder is required to abstain from voting on the proposed resolutions at the Shareholders' Meeting.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Board considers that all the resolutions proposed at the Shareholders' Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favor of these proposed resolutions.

VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Jiangsu Hengrui Pharmaceuticals Co., Ltd.
Mr. Sun Piaoyang
Chairman

**JIANGSU HENGRUI PHARMACEUTICALS CO., LTD.
2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME
(DRAFT)**

September 2026

STATEMENT

The Company and all directors warrant that the Scheme and its summary do not contain any false records, misleading statements or material omissions, and shall bear joint and several legal liabilities for the truthfulness, accuracy and completeness thereof.

SPECIAL NOTICE

The abbreviations of the terms used in this section shall be consistent with the “Definitions” section.

1. The 2026 A share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司) (Draft) and its summary are formulated by the Company in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guiding Opinions on the Implementation of Schemes by Listed Companies on a Pilot Basis, the Self-disciplinary Supervisory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Standardised Operation and other relevant laws, administrative regulations, rules and normative documents and the provisions of the Articles of Association of the Jiangsu Hengrui Pharmaceuticals Co., Ltd..
2. The Scheme follows the principles of compliance with the law, voluntary participation at their own risk, with no employees being forced to participate in the Scheme by way of apportionment or forced distribution, etc..
3. The Participants of the Scheme are the directors (excluding independent directors), senior management personnel, core management personnel and key employees of the Company and its subsidiaries, and other employees that the Company’s board of directors believes should be incentivized. The total number of employees participating in the Employee Stock Ownership Scheme shall be no more than 1,269, of which the total number of directors (excluding independent directors) and senior management personnel of the Company shall not exceed 8. The specific number of Participants and final subscription amounts will be determined based on the actual subscription status by the employees.
4. 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.
5. The source of the Underlying Shares for the Scheme shall be A shares that have been repurchased in the Company’s designated securities repurchase account. The Company shall repurchase no more than 12.855 million A shares, representing 0.19% of the total share capital of the Company as at the date of announcement of the Draft Scheme. The final number of Underlying Shares held under the shall be subject to the actual implementation of the Scheme. The Company will promptly fulfill its information disclosure obligations in accordance with regulations. 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 RMB26.21 per share, which shall be no less than the par value of the A Shares of the Company and no less than the higher of the following:

- (1) 50% of the average trading price of A shares in the Company on the trading day before the announcement of the Draft Scheme;
- (2) 50% of the average trading price of A shares in the Company on the 60 trading days before the announcement of the Draft 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.

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 the shares of the Scheme held by any individual holder shall not exceed 1% of the total share capital of the Company. The total number of shares held by the Scheme does not include shares acquired by the employees 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.

6. 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 is elected through the Holders' Meeting and is authorized to oversee the daily management of the Scheme. The Management Committee exercises of shareholders' rights on behalf of the Holders or authorizes management institutions to exercise shareholder's rights, safeguard the legitimate rights and interests of the Holders, and ensure the security of assets of the Scheme. Depending on the implementation of this Employee Stock Ownership Scheme, qualified professional institutions may be engaged to provide consulting, management, and other services for the Scheme.
7. The Duration Period of the Scheme shall be 60 months, commencing from the date when the Draft Scheme is considered and approved in the shareholders' meeting of the Company and the Company announces the transfer of the last tranche of Underlying Shares to 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%.

8. Prior to the implementation of the Scheme, the Company will seek the opinions of its employees through the Workers' Congress. After the Draft Scheme is proposed, considered and approved by the board of directors, the Scheme will be submitted to the shareholders' meeting for consideration. A notice of shareholders' meeting approving the same will be issued by the Company. The Scheme shall be implemented only after consideration and approval by the shareholders' meeting of the Company. The Company's shareholders' meeting on which the Scheme is considered shall adopt a combination of on-site voting and online voting. The Company will provide an online voting platform to its shareholders through the trading system and the Internet voting system of the SSE, and shareholders of the Company may exercise their voting rights through the said systems within the timeframe for online voting.
9. The financial and accounting treatment of the Company's implementation of the Scheme and its taxation shall be carried out in accordance with the provisions of the relevant financial system, accounting standards and taxation system, and the relevant taxes and fees to be paid by employees as a result of the implementation of the Scheme shall be borne by the employees themselves.
10. The implementation of the Scheme will not result in any change of control of the Company, and will not cause the shareholdings structure of the Company to fail to meet the listing requirements.

RISK WARNING

The abbreviations of the terms used in this section shall have the same meanings as defined in the section headed “Definitions”.

1. The 2026 A share Employee Stock Ownership Scheme is subject to the approval of the shareholders’ meeting of the Company before implementation, and there is uncertainty as to whether the Scheme will be approved by the shareholders’ meeting of the Company.
2. After being established, Scheme adopts a self-management model. The specific participants, specific source of funds, amount of capital contributed and implementation plan involved in the Scheme are preliminary results, and there is uncertainty as to whether the implementation can be completed.
3. The Scheme shall follow the principles of compliance with the law, voluntary participation at their own risk. If the actual amount subscribed by employees is low, there is a risk that the Scheme cannot be established; if there is an undersubscription by employees, the scale of the Scheme has a risk of being lower than the projected scale.
4. The Company’s stock price is influenced by multiple complex factors, including but not limited to the Company’s operating performance, macroeconomic cycles, international/domestic political and economic situation, and, as well as investor sentiment. Accordingly, dealing in shares is an investment activity subject to certain risks, and investors should be fully prepared for such market uncertainties.

The Company will subsequently disclose the relevant progress in accordance with the provisions, and investors are advised to make decisions with caution and pay attention to investment risks.

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DEFINITIONS

In this Draft Scheme, unless the context otherwise requires, the following abbreviations shall have the following meanings:

“Hengrui Pharma” or “Company”	Jiangsu Hengrui Pharmaceuticals Co., Ltd.
“Employee Stock Ownership Scheme” or “Scheme”	the 2026 A Share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (《江蘇恒瑞醫藥股份有限公司2026年A股員工持股計劃》)
“Draft” or “Draft Scheme”	the 2026 A Share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (draft) (《江蘇恒瑞醫藥股份有限公司2026年A股員工持股計劃》(草案))
“Administrative Measures of the Employee Stock Ownership Scheme”	the Administrative Measures of the 2026 A Share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd.
“Holder(s)”, “Target Holders” “Participants”	employees of the Company who participate in the subscription of Shares under the Employee Stock Ownership Scheme
“Holders’ meeting”	Meeting of the Holders of the Employee Stock Ownership Scheme
“Management Committee”	Management Committee of the Employee Stock Ownership Scheme
“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

“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
“Underlying Shares”	Jiangsu Hengrui Pharmaceuticals Co., Ltd.’s A shares legally acquired and held under this Employee Stock Ownership Scheme
“CSRC”	China Securities Regulatory Commission
“SSE”	Shanghai Stock Exchange
“SEHK”	The Stock Exchange of Hong Kong Limited
the “Company Law”	the Company Law of the People’s Republic of China
the “Securities Law”	the Securities Law of the People’s Republic of China
the “Articles of Association”	the Articles of Association of Jiangsu Hengrui Pharmaceuticals Co., Ltd.
the “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》)
the “Operations Standards”	the Self-disciplinary Supervisory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Standardised Operation
“IND”	Investigational New Drug Application
“NDA”	New Drug Application
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the board of directors of the Company
“RMB”	Renminbi

I PURPOSE OF THE SCHEME

The Scheme is formulated by the Company in accordance with the requirements under the Company Law, the Securities Law, the Guiding Opinions, the Operations Standards and other relevant laws, administrative regulations, rules, normative documents and the Articles of Association.

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 BASIC PRINCIPLES GOVERNING THE SCHEME**(I) The principle of compliance with laws and regulations**

The Company will implement the Scheme in strict compliance with the relevant laws and administrative regulations, which require the Company to disclose true, accurate, and complete information in a timely manner. No one shall make use of the Scheme to engage in insider trading or manipulation of the securities market, among other securities fraud.

(II) The principle of voluntary participation

The implementation of the Scheme is subject to the discretionary decisions of the Company and the voluntary participation by the employees, and the Company shall not compel the employees to participate in the Scheme by way of apportionment, forced distribution, etc.

(III) The principle of self-assumption of risks

Participants of the Scheme shall be responsible for their own profits and losses at their own risks, and have equal rights and interests with other investors.

**III PARTICIPANTS AND CRITERIA FOR DETERMINATION OF PARTICIPATION
IN THE SCHEME****(I) 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, the Securities Law, the Guiding Opinions, the Operations Standards, administrative regulations, rules, normative documents and relevant provisions of the articles of association of the Company.

(II) 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) and 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 incentivized.

In the event of any of the following circumstances, employees shall not be eligible to be the Holders of the Employee Stock Ownership Scheme:

- (1) being publicly condemned or declared as inappropriate candidates by the stock exchanges within the most recent 3 years;
- (2) being imposed with administrative penalties by the CSRC due to material breach of laws and regulations within the most recent 3 years;
- (3) causing severe impairment to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics within the most recent 3 years;
- (4) being deemed ineligible for the Holders of the Employee Stock Ownership Scheme by the board; or
- (5) any other circumstances as stipulated in relevant laws, regulations or normative documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

(III) 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 no more than 1,269, of which the total number of directors (excluding independent directors), and senior management of the Company shall not exceed 8. 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), senior management of the Company (a total of 8 persons):		
Dai Hongbin, Feng Ji, Zhang Lianshan, Jiang Frank Ningjun, Sun Jieping, Zhu Guoxin, Lau Kin Chun, Tian Fei	61.2	4.76
Core management personnel and key employees of the Company	1,224.3	95.24
Total	1,285.5	100

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. The Management Committee is authorized by the board of the Company 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.

(IV) Verification of Eligible Participants

Remuneration and Evaluation Committee of the board shall verify the list of Holders. The Company shall engage a law firm to provide an opinion on whether the Scheme and the relevant matters are compliant with relevant laws and regulations, and the legal opinion shall be announced prior to the convening of the shareholders' meeting in relation to the consideration of the Scheme.

**IV SIZE, SOURCE OF FUNDS, SOURCE OF SHARES AND PURCHASE PRICE OF
THE EMPLOYEE STOCK OWNERSHIP SCHEME****(I) Size of the Employee Stock Ownership Scheme**

Under the Employee Stock Ownership Scheme, the Company shall repurchase no more than 12.855 million A Shares, representing 0.19% 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 the Scheme shares 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 Scheme does not include shares acquired by the employees 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.

(II) 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.

(III) 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.

(IV) 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 RMB26.21 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 60 trading days before the announcement of the draft 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, and the pricing method of the transfer price is reasonable.

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

(I) Duration Period of the Scheme

1. 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.
2. 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 of the Company.
3. 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 of the Company.

(II) Lock-up Period of the Scheme***1. Lock-up Period and Release Schedule***

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.

2. Trading Restrictions of the Underlying Shares

The Scheme shall strictly abide by market trading rules and the regulations of the CSRC and SSE on stock trading. No dealings in shares in the Company is allowed during the following periods:

- (1) within 15 days before the announcement of the Company's annual report and interim report;
- (2) within 5 days before the announcement of the Company's quarterly report, performance forecast and brief performance report;
- (3) from the date of a major event that may have a significant impact on the trading price of securities and its derivatives of the Company or during the decision-making process, until the date of disclosure of the same in accordance with the law;

- (4) other periods specified by the CSRC and the SSE.

The trading restrictions on the Scheme shall be implemented in accordance with the latest revised relevant regulations of CSRC and SSE.

(III) The Appraisal Indicators of the Scheme

The appraisal indicators of the Scheme are divided into performance appraisal indicators for the Company and individual performance appraisal indicators. The final number of the equity interests of the Underlying Shares unlocked for each Holder in each unlocking tranche shall be determined based on the results of the Company's performance appraisal and individual performance appraisal.

1. Performance appraisal indicators for the Company

The performance appraisal targets for the Company under the Employee Stock Ownership Scheme during the appraisal year are as follows:

The Company-level performance appraisal indicators include three items: revenue from sales of innovative drugs, number of IND approvals for NMEs, and number of NDA applications declared and accepted for innovative drugs (including new indications). Based on the completion of the indicators, three unlocking proportions are set: 100%, 90%, and 0%. For unlocking, the Company's performance is compared with the three indicators on a one-by-one basis, and the current unlocking proportion is determined by the lowest unlocking proportion corresponding to any of the three indicators.

① First Tranche Unlocking

Unlocking Proportion	100%	90%	0%
2026			
Innovative drug income (RMB100 million)	≥ 192	Not applicable	< 192
Number of IND approvals for NMEs	≥ 18	≥ 16	< 16
Number of NDA applications for innovative drugs declared and accepted (including new indications)	≥ 8	≥ 5	< 5

② *Second Tranche Unlocking*

Unlocking Proportion	100%	90%	0%
Cumulative from 2026-2027			
Innovative drug income (RMB100 million)	≥ 432	Not applicable	< 432
Number of IND approvals for NMEs	≥ 37	≥ 33	< 33
Number of NDA applications for innovative drugs declared and accepted (including new indications)	≥ 13	≥ 10	< 10

③ *Third Tranche Unlocking*

Unlocking Proportion	100%	90%	0%
Cumulative from 2026-2028			
Innovative drug income (RMB100 million)	≥ 732	Not applicable	< 732
Number of IND approvals for NMEs	≥ 57	≥ 51	< 51
Number of NDA applications for innovative drugs declared and accepted (including new indications)	≥ 21	≥ 17	< 17

Equity interests of the Underlying Shares that cannot be unlocked due to non-fulfillment or partial fulfillment of the performance appraisal indicators of the Company within the particular unlocking period shall be surrendered to the Management Committee, and the amount will be returned to the Holders after disposal at an opportune time at the lower value between the subscription amount and the proceeds after the sales, and the remaining proceeds shall revert to the Company.

2. Individual Performance Appraisal Indicators

Based on the Company's performance appraisal indicators, the final number of the equity interests of the Underlying Shares that can be unlocked by Holders for each unlocking period is determined by individual performance appraisal results. The number of the equity interests of the Underlying Shares to be unlocked by an individual in the current period = Target Unlocking Quantity $\times$ Unlocking Proportion. Details are as follows:

Directors, senior management and non-marketing system appraisal indicators:

Appraisal result	A+/A/B	C/D
Unlocking proportion	100%	0%

Marketing system appraisal indicators:

Appraisal result	A+/A/B	C/D
Types of employee		
Sales and marketing related employees	100%	0%
Other employees	Pursuant to the Performance Evaluation Agreement executed between the Company and the employee	

The individual performance appraisal results shall be based on the performance appraisal documents signed between the Company and the employees, and shall be finally ratified by the Management Committee. For any portion that cannot be unlocked due to individual performance appraisal results, the Management Committee has the right to decide to claw back, and the price in respect of the clawback shall be calculated based on the lower of the subscription amount and the disposal proceeds corresponding to the Holder. The units clawed back may be allocated by the Management Committee to other eligible employees or disposed of in other ways determined by the Management Committee.

VI PARTICIPATION IN THE SCHEME IN THE EVENT OF CORPORATE FINANCING

During the Duration Period of the Scheme, if the Company raises funds by way of share allotment, issuance of additional shares, convertible bonds, etc., the Management Committee shall submit to the Holders' Meeting and the board for consideration of whether to participate and the specific participation plan.

VII 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 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 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.

(I) Holders

The employees of the Company shall become the Holders of the Scheme upon subscribing for units of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement to rights and interests.

(II) Holders’ Meeting

1. The highest internal management authority of the Scheme is the Holders’ Meeting. All Holders shall have the right to participate in Holders’ meetings. The Holders may attend and vote at the Holders’ Meeting in person or appoint a proxy to attend and vote on their behalf. Holders and their proxies shall bear their own travelling, accommodation and food expenses for attending the Holders’ Meeting.
2. The following matters require a Holders’ Meeting to be convened for deliberation:
 - (1) election and removal of members of the Management Committee;
 - (2) changes, termination, and extension of the Duration Period of the Scheme, and submission to the board for review and approval;
 - (3) during the Duration Period of the Scheme, when the Company raises funds by placement of shares, issuance of additional shares, convertible bonds, etc., the Management Committee should submit it to the Holders’ Meeting to consider whether to participate and the source of funds;
 - (4) to authorize the Management Committee to carry out the daily management of the Scheme;
 - (5) to authorise the Management Committee to exercise shareholders’ rights;
 - (6) to authorise the Management Committee to manage the allocation of benefits under the Employee Stock Ownership Scheme and to decide on matters related to the sale, distribution, transfer of the Underlying Shares upon expiration of the Lock-up Period of the Employee Stock Ownership Scheme;

- (7) to authorise the Management Committee to be responsible for the liquidation and property distribution of the Scheme;
 - (8) consideration and amendment of the Administrative Measures of the Employee Stock Ownership Scheme and submission of the same to the board of directors for review and approval;
 - (9) to consider other matters that need to be put forward at the Holders' Meeting.
3. The first Holders' Meeting shall be summoned and chaired by the Secretary to the board of the Company or other authorized person, and the subsequent Holders' Meetings shall be summoned by the Management Committee and chaired by the chairperson of the Management Committee. Where the chairperson of the Management Committee is unable to perform his/her duties, he/she shall designate a member of the Management Committee to preside over the meeting.
4. To convene a Holders' Meeting, the Management Committee shall give three days' notice of the meeting to all Holders by hand, mail, fax, e-mail or by other means. The meeting notice shall include at least the following particulars:
- (1) Time and venue of the meeting;
 - (2) The manner by which the meeting is to be held;
 - (3) Proposed matters to be considered at the meeting;
 - (4) The convenor and chairperson of the meeting, and the proposer(s) of the extraordinary meeting(s) and their written proposal;
 - (5) Meeting materials necessary for voting at the meeting;
 - (6) The requirement that the Holder should attend the meeting in person or delegate another Holder to attend the meeting on their behalf;
 - (7) Contact person and contact information;
 - (8) Date on which the notification is made.

A Holders' Meeting may be convened by verbal notice on an ad hoc basis. The verbal notice shall include at least the contents of (1) and (2) above and a statement that the meeting of the holders needs to be convened as soon as possible due to the urgency of the situation.

5. *Voting procedures at Holders' Meetings*

- (1) After each proposal has been fully discussed, the chairperson shall, in due course, call for a vote of the Holders present at the meeting. The chairperson may also decide to call for a vote of the participating Holders after all the proposals have been discussed at the meeting, and the vote shall be taken by means of a written paper;
 - (2) Holders shall have the right to vote in accordance with the units they hold, with each units having one vote;
 - (3) The Holders may opt to vote “in favour”, “against” and “abstention”. Holders present at the meeting shall choose one of the above, and any holder who fails to make a choice or chooses two or more of the above at the same time shall be deemed to have abstained from voting. Holders who leave the meeting venue during the course of the meeting without making a vote. If a Holder votes after the chairperson of the meeting has announced the voting results after the expiry of the time limit set for voting, their votes shall not be counted;
 - (4) The chairperson of the meeting shall announce the results of the on-site vote count on the spot. Each proposal will be deemed to have been passed if it is voted in favour by more than 50% (exclusive) of the equity interests held by Holders with voting rights attending the Holders' Meeting, formulating a valid resolution of the Holders' Meeting (except where the Scheme stipulate that the approval of more than two-thirds (inclusive) of the units held by Holders attending the Holders' Meeting is required);
 - (5) Resolutions of the Holders' Meeting that need to be submitted to the board or the shareholders' meeting of the Company for consideration shall be submitted to the board or the shareholders' meeting of the Company for consideration in accordance with the provisions of the Articles of Association;
 - (6) Minutes of the Holders' Meeting shall be duly documented by any persons assigned by the chairperson of the meeting.
6. Holders who individually or collectively hold more than 15% of the units of the Scheme may submit to the Holders' Meeting ad hoc proposals, which must be submitted to the Management Committee three days prior to the Holders' Meeting.
7. Holders who individually or collectively hold more than 30% of the units of the Scheme and more than two-thirds of the members of the Management Committee may propose to convene a Holders' Meeting.

(III) Management Committee

1. A Management Committee shall be established under the Scheme and is responsible to oversee the daily management of the Scheme exercise shareholders' rights on behalf of them. The Management Committee of the Scheme is elected through the Holders' Meeting.
2. The Management Committee consists of three members and shall have a chairperson of the Management Committee. The chairperson of the Management Committee shall be elected by the Management Committee by a majority of all members and shall be re-elected upon the change of the members of the Management Committee. The members of the Management Committee shall have a term that aligns with the duration of the Employee Stock Ownership scheme.
3. The members of the Management Committee shall comply observe the laws, administrative regulations and the provisions of the Administrative Measures of the Employee Stock Ownership Scheme, and shall owe the following obligations of fidelity to the Scheme:
 - (1) They shall not use their office to accept bribes or other illegal income, and shall not misappropriate the properties of the Scheme;
 - (2) They shall not misappropriate funds of the Scheme;
 - (3) Without the consent of Management Committee, no assets or funds of the Scheme shall be deposited in an account opened in their own name or in the name of another individual;
 - (4) Without the consent of the Holders' Meeting, no funds of the Scheme shall loaned to others, and no properties of the Scheme shall be provided as a guarantee for others;
 - (5) They shall not use their authority to the detriment of the interests of the Scheme. A member of the Management Committee shall bear liability for damage to the loss incurred the Scheme due to the any breach of fiduciary duty;
 - (6) They shall not leak trade secret in relation to the Scheme without authorization;
 - (7) Other obligations stipulated by laws, administrative regulations, normative documents and Administrative Measures of Employee Stock Ownership Scheme.

4. The Management Committee shall perform the following duties:
- (1) Convening Holders' Meetings and executing resolutions passed at such meetings;
 - (2) To open and manage securities accounts, capital accounts and other relevant accounts for the Employee Stock Ownership Scheme;
 - (3) To carry out day-to-day administration of the Employee Stock Ownership Scheme on behalf of all Holders, and may engage third-party professional institutions to provide management, consulting and other services for the Employee Stock Ownership Scheme;
 - (4) To exercise shareholders' rights on behalf of all Holders, including but not limited to attending, submitting proposals and voting at the shareholders' meetings of the listed company;
 - (5) To enjoy rights on behalf of all Holders, including participating in cash dividends, bond interest payments, bonus shares, conversion of capital reserve into share capital, rights issue and placement of bonds, etc. of the listed company;
 - (6) To determine the eligibility of Holders to participate in accordance with the provisions of the Employee Stock Ownership Scheme, and decide on matters such as clawback, transfer, additional grants, succession and realisation of earnings of units held by Holders. The clawback shall be disposed of by the Management Committee in a manner permitted by laws and regulations;
 - (7) To make the final determination of individual performance appraisal results. If there is any dispute over the appraisal results, the determination of the Management Committee shall prevail;
 - (8) To manage the allocation of benefits of the Employee Stock Ownership Scheme, and to decide on matters related to the sale, distribution, transfer, etc. of the Underlying Shares upon the expiry of the Lock-up Period of the Employee Stock Ownership Scheme;
 - (9) To formulate and execute plans for the Employee Stock Ownership Scheme to participate in the Company's placements, rights issues or issuance of convertible bonds and other refinancing matters within the Duration Period;
 - (10) To sign relevant documents on behalf of all Holders;
 - (11) Other responsibilities as authorised by the Holders' Meeting;

- (12) Other responsibilities to be discharged by the Management Committee as stipulated in the Employee Stock Ownership Scheme and relevant laws and regulations.

5. *Powers to be exercised by the chairperson of the Management Committee*

- (1) To preside over the Holders' Meetings and to summon and preside over meetings of the Management Committee;
 - (2) Supervising and checking the implementation of the resolutions of Holders' Meeting and those of the Management Committee;
 - (3) Signing relevant external agreements and contracts on behalf of the Scheme;
 - (4) Exercise shareholders' rights on behalf of all holders as authorized by the Management Committee;
 - (5) Such other powers and functions as may be delegated by the Management Committee.
6. Meetings of the Management Committee shall be convened on an ad hoc basis. Such meetings shall be summoned by the chairperson of the Management Committee, with notice of the meeting given to all members of the Management Committee one day prior to the meeting.
7. A member of the Management Committee may propose to convene an ad hoc meeting. The chairperson of the Management Committee shall convene and preside over a meeting of the Management Committee within three days from the receipt of the proposal.
8. A meeting of the Management Committee may be held only with the presence of more than half of the members of the Management Committee. Resolutions of the Management Committee must be adopted by the affirmative vote of more than half of all members of the Management Committee. Voting on resolutions of the Management Committee shall be conducted on a one person, one vote basis.
9. Voting of resolutions of Management Committee meetings shall be taken by way of registered ballot. Under the premise of guaranteeing the full expression of opinions by the members of the Management Committee, the Management Committee meeting may be conducted and resolutions may be made by written communication and signed by the participating members of the Management Committee.

10. The meeting of the Management Committee shall be attended by the member of the Management Committee in person. If the member of the Management Committee is unable to attend the meeting for any reason, they may authorise other members of the Management Committee members in writing to attend the meeting on their behalf. The power of attorney shall state the name of the proxy, the matters to be authorised, the scope of authorisation and the validity term, and shall be signed or stamped by the member who is unable to attend the meeting. A member of the Management Committee who attends a meeting on behalf of another member shall exercise the rights of a member of the Management Committee within the scope of the authorisation. A member of the Management Committee who fails to attend a meeting of the Management Committee and fails to appoint a proxy to attend the meeting shall be deemed to have waived their right to vote at that meeting.
11. The Management Committee shall formulate meeting minutes recording its decisions on the matters considered at the meeting, and the members of the Management Committee present at the meeting shall sign on the meeting minutes.

(IV) Matters in respect to the Scheme authorised by the shareholders' meeting to be handled by the board at its sole discretion within the scope under the other relevant laws, regulations and normative documents, including but not limited to the following matters:

1. To authorise the board to be responsible for the implementation of the Scheme;
2. To authorise the board to handle the amendments to and termination of the Employee Stock Ownership Scheme;
3. To authorise the board to make decisions on the extension of the Duration Period and early termination of the Scheme;
4. To authorise the board to amend and interpret the Draft Scheme and the Administrative Measures of Employee Stock Ownership Scheme;
5. To authorise the board to decide on matters related to the Employee Stock Ownership Scheme participating in the Company's rights issues and other refinancing matters within the Duration Period;
6. To authorise the board to change the criteria for determining the Holders of the Employee Stock Ownership Scheme;
7. To authorise the board to determine and change the management methods and means of the Employee Stock Ownership Scheme;

8. To authorise the board to handle all procedures relating to the securities and capital accounts involved in the Employee Stock Ownership Scheme, as well as the lock-up, unlocking and distribution of transferred Shares;
9. To authorise the board to formulate and sign contracts and agreements related to the Employee Stock Ownership Scheme;
10. The board is authorised to make corresponding adjustments to the Employee Stock Ownership Scheme in accordance with the new laws, regulations and policies upon any change thereof within the Duration Period after the approval of the Scheme by the shareholders' meeting;
11. To propose to the shareholders' meeting to authorise the board to deal with any matters related to announcements, circulars, etc. required to be disclosed on the website of SSE (www.sse.com.cn) or the website of SEHK (<https://www.hkexnews.hk>), and to deal with any compliance matters related to the Scheme with the SSE or SEHK;
12. To authorise the board of directors to handle other necessary matters required by the Scheme, except for the rights that shall be exercised by the shareholders' meeting as stipulated in the relevant laws, regulations, normative documents and articles of association.

The above authorisation shall be valid from the date of consideration and approval by the shareholders' meeting of the Company to the date of completion of the implementation of the Scheme.

VIII COMPOSITION OF ASSETS OF THE SCHEME, AND THE METHODOLOGY OF DISPOSAL OF RIGHTS AND INTERESTS

(I) Composition of Assets of the Scheme

The assets of the Scheme shall be independent of the Company's own property and no such asset shall be account into the Company's own asset. The Company shall not encroach upon, misappropriate or otherwise transfer the assets of the Scheme to its inherent property in any form. The properties and incomes obtained as a result of the management, application or other circumstances of the Scheme shall be attributed to the assets of the Scheme.

Composition of assets of the Scheme is as follows:

1. The interests corresponding to the Underlying Shares held by the Scheme, the Holders who participate in the Employee Stock Ownership Scheme shall subscribe for units of the Employee Stock Ownership Scheme with their subscription amounts and be entitled to the rights and interests corresponding to holding the Company's A shares by the Scheme;
2. Cash deposits and bank interest;
3. Assets resulting from other investments made by the Scheme.

(II) 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 Shareholders' rights through the Underlying 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, normative documents or with the consent of the Management Committee, the Holders, without authorisation, shall not unilaterally withdraw from, transfer, or create as security, pledge, guarantee over, 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 deducting relevant taxes, fees and payable amounts of the Scheme in accordance with the laws, 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.

IX RIGHTS AND OBLIGATIONS OF THE COMPANY AND THE PARTICIPANTS OF THE SCHEME

(I) The rights of the Company are as follows:

1. If a participant has materially damaged the Company's interests or reputation by committing offences against the law, violating professional ethics, disclosing the Company's confidential information, engaging in negligence of duty or dereliction of duty, or other such conduct, the Company may disqualify such participant, and the corresponding shareholdings of such participant shall be transferred in accordance with the relevant provisions of this Plan.
2. The Company shall have the right to withhold and pay relevant taxes and fees in connection with this scheme in accordance with applicable national tax laws and regulations.
3. Other rights as stipulated by laws, administrative regulations and this scheme.

(II) The obligations of the Company are as follows:

1. The Company shall perform its information disclosure obligations in relation to this scheme in a truthful, accurate, complete and timely manner.

2. The Company shall establish and deregister relevant accounts for this scheme in accordance with applicable rules and regulations.
3. Other obligations as stipulated by laws, administrative regulations and this scheme.

(III) The rights of Holders are as follows:

1. To be entitled to the rights and interests in proportion to the units of the Employee Stock Ownership Scheme held under their names;
2. To receive profit distribution and/or dividends (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the Shares;
3. To attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in the Administrative Measures of the Employee Stock Ownership Scheme;
4. To enjoy other rights stipulated by relevant laws and regulations or by the Scheme.

(IV) The obligations of Holders are as follows:

1. Within the Duration Period of the Employee Stock Ownership Scheme, unless otherwise specified by the Employee Stock Ownership Scheme or the Administrative Measures of the Employee Stock Ownership Scheme, the Holders shall not transfer units held by them under the Scheme, create security over such units or for debt repayment, and shall not unilaterally request any distributions of assets related to the Employee Stock Ownership Scheme;
2. The Holders shall comply with the plan of the Employee Stock Ownership Scheme, fulfil all undertakings made for participating in the Employee Stock Ownership Scheme, and pay the subscription amount for units of the Employee Stock Ownership Scheme within the agreed period;
3. The Holders shall bear the risks of the Employee Stock Ownership Scheme in proportion to the units of the Employee Stock Ownership Scheme subscribed;
4. The Holders shall bear the statutory taxes and fees for share transactions, such as dealing in shares or transfer of shares, when the Employee Stock Ownership Scheme satisfies the unlocking conditions, and the taxes incurred pursuant to the national and other relevant laws and regulations for participating in the Employee Stock Ownership Scheme and after the Employee Stock Ownership Scheme meets the unlocking conditions, or upon the disposal or transfer of the Shares in proportion to the units of the Scheme held under their names;

5. Compliance with resolutions of the Holders' Meeting and resolutions of the Management Committee in force;
6. To assume other obligations under relevant laws, administrative regulations, normative documents and the Administrative Measures of the Employee Stock Ownership Scheme.

X CHANGES AND TERMINATION OF THE SCHEME AND DISPOSAL OF HOLDERS' RIGHTS AND INTERESTS

(I) 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.

(II) Termination of the Scheme

1. The Scheme shall terminate automatically upon expiration of the Duration Period in case of no extension is granted.
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.

(III) Disposal of Holders' Rights and Interests

1. If a Holder experiences a normal job position change within the Company, the units of the Employee Stock Ownership Scheme held by him/her shall be handled strictly in accordance with the relevant provisions of this Scheme.
2. Within the Duration Period, if a Holder loses the qualification to participate in this Scheme due to any of the following circumstances, the Management Committee shall have the right to disqualify the Holder and compulsorily claw back the units of the Employee Stock Ownership Scheme held by him/her from the date of occurrence of such circumstance. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders:
 - (1) Being identified as an inappropriate candidate by the stock exchange in the last 12 months;
 - (2) Being identified as an inappropriate candidate by CSRC and its dispatched agencies in the last 12 months;

- (3) Being subjected to administrative penalties or securities market entry prohibition measures by CSRC or any of its dispatched agencies due to material breach of laws and regulations in the last 12 months;
 - (4) Circumstances where one is prohibited from serving as a director, supervisor, or senior management of the Company as stipulated by the Company Law;
 - (5) Demotion leading to loss of eligibility to participate in this Scheme, or the Company terminates the employment = with the Holder due to incompetence for the job;
 - (6) Becoming other personnel prohibited from participating in a listed company's employee stock ownership plan as stipulated by laws and regulations;
 - (7) Other circumstances identified by the CSRC.
3. If a Holder ceases to hold relevant positions in the Company due to resignation or redundancy made by the Company, from the date of occurrence of such circumstance, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders.
4. If a Holder leaves his/her position due to retirement, from the date of occurrence of such circumstance, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders, unless the Company decides to re-employ the Holder after retirement.
5. If a Holder leaves his/her position due to incapacity, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders.
6. In the event of a Holder's death, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders.

7. If a Holder causes serious damages against the Company's interests or reputation due to his or her violation of laws, professional ethics, leaking corporate's confidential information, dereliction of duty or malfeasance, or breach of relevant provisions of the Non-Competition Agreement signed with the Company, the Management Committee shall have the right to disqualify the Holder and compulsorily claw back the unlocked units of the Employee Stock Ownership Scheme held by him/her. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders, and the Holder shall also be required to return the income from his/her unlocked units of the Employee Stock Ownership Scheme.
8. Within the Duration Period, the units of the Employee Stock Ownership Scheme clawed back by the Company may be allocated by the Management Committee to other eligible employees or disposed of in other ways determined by the Management Committee.
9. Within the Duration Period, in case of other special circumstances not explicitly stipulated in the Employee Stock Ownership Scheme, if there are explicit or regulatory provisions, they shall be complied with; otherwise, the Management Committee shall further clarify during the implementation process.

(IV) Liquidation and Distribution After the Expiry of the Duration Period of the Employee Stock Ownership Scheme

1. The Employee Stock Ownership Scheme shall automatically terminate upon expiry of its Duration Period. The Management Committee shall, in accordance with the authorisation of the Holders' Meeting, complete the liquidation within 30 working days from the date of expiration or termination. After deducting relevant taxes and fees according to law, the disposal method shall be determined by the Management Committee.
2. Within the Duration Period of the Employee Stock Ownership Scheme, the Management Committee may distribute cash from the capital account of the Employee Stock Ownership Scheme to the Holders in accordance with the authorisation of the Holders' Meeting.
3. 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 deducting relevant taxes according to the law, 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.

XI PROCEDURES FOR THE IMPLEMENTATION OF THE SCHEME

- (I) The Board of the Company shall be responsible for the preparation of the Draft Scheme.
- (II) The Company shall adequately solicit the opinions of the employees through the Workers' Congress, etc. before implementing the Scheme.
- (III) Remuneration and Evaluation Committee of the Board of the Company shall be responsible for verifying the list of Holders, and the Remuneration and Evaluation Committee of the Board shall express their opinions as to whether or not the Scheme is conducive to the sustainable development of the Company, whether or not there is any detriment to the interests of the Company and all shareholders, and whether or not there is any situation of compelling the employees to participate in the Scheme by way of apportionment or forced distribution.
- (IV) When the board considers the Employee Stock Ownership Scheme, any director interested in the Employee Stock Ownership Scheme shall abstain from voting. The Board shall announce the Board resolutions, the draft Employee Stock Ownership Scheme and its summary, and the opinions of the Remuneration and Evaluation Committee of the Board within 2 trading days after approving the Draft Scheme.
- (V) The Company would engage a law firm to express an opinion on whether the Scheme and the relevant matters are compliant with laws and regulation, and the legal opinion shall be announced prior to the convening of the shareholders' meeting in relation to the consideration of the Scheme.
- (VI) To convene a shareholders' meeting to consider the Scheme. Voting on such shareholders' meeting shall adopt a combination of on-site voting and online voting. The votes of small and medium investors shall be counted separately and publicly disclosed; if the Employee Stock Ownership Scheme involves interested directors or shareholders, such directors or shareholders shall abstain from voting. The Employee Stock Ownership Scheme can be implemented only after being approved by more than half of the valid voting rights present at the shareholders' meeting.
- (VII) To convene a Holders' Meeting of the Scheme, to elect the members of the Management Committee, to clarify the specific matters in relation to the implementation of the Scheme and to disclose in a timely manner the convening of the meeting and the relevant resolutions.
- (VIII) The Company shall disclose in a timely manner the time, number and percentage of the Underlying Shares acquired within 2 trading days of the transfer of the Underlying Shares to the name of the Scheme.
- (IX) Other procedures to be performed as stipulated by CSRC, SSE and SEHK.

XII OTHER IMPORTANT MATTERS**I. Connected Relationships and Acting-in-Concert Arrangements in Relation to the Employee Share Ownership Scheme.**

1. The Employee Share Ownership Scheme has not entered into any acting-in-concert agreement or arrangement with the Company's controlling shareholder or actual controller.
2. A total of eight directors and senior management personnel of the Company participate in this scheme. The above-mentioned persons have connected relationships with this scheme and shall abstain from voting at the meetings of the Board of Directors and the shareholders' general meeting when proposals relating to this scheme are considered. This scheme has not entered into any acting-in-concert agreement or arrangement with the Company's directors or senior management personnel.
3. This scheme maintains its independence in respect of its operation and administration. The Holders' Meeting is the highest authority of this Plan, which shall elect a Management Committee to be responsible for the day-to-day administration of the Employee Share Ownership Scheme. The shareholdings of the participants under this scheme are relatively dispersed, and no acting-in-concert agreement or arrangement exists among the participants. No single participant is able to exercise significant influence over the decisions of the Holders' Meeting or the Management Committee.

II. Accounting Treatment of the Scheme and Impact on Business Performance

In accordance with the provisions of Enterprise Accounting Standard No. 11 — Share-based Payment: the equity-settled share-based payments in consideration of services rendered by staff that can only be exercised upon the completion of services or attainment of required performance targets within the vesting period are recognised in relevant cost or expenses and the capital reserve in respect of services obtained for the period at the fair value on the date of grant of the equity instrument based on the best estimate of the volume of exercisable equity instruments at each balance sheet date during the vesting period.

The amortisation of costs or expenses relevant to the Scheme will have an impact on the net profit for each year when the implementation thereof, however, in view of the positive effect of the Scheme on the development of the Company, the Scheme will effectively stimulate the motivation of the employees, improve the Company's operational efficiency and promote the Company's sustainable development although some expense is incurred due to the implementation of the Scheme.

- III. The consideration and approval of the Scheme by the Board and the shareholders' meeting of the Company does not imply that a Holder enjoys the right to continue to serve in the Company or the subsidiary, and does not constitute a commitment by the Company or the subsidiary to the period of employment of the employees, and the employment between the Company or the subsidiary and the Holder shall also be governed by the employment contract entered into between the Company or the subsidiary and the Holder.
- IV. Matters such as the financial and accounting treatment and taxation of the Company's implementation of the Scheme shall be carried out in accordance with the provisions of the relevant financial system, accounting standards and taxation system. The relevant personal income tax to be paid by the employees due to their participation in the Scheme shall be borne by themselves.
- V. The Scheme shall become effective after being considered and approved by the shareholders' meeting, and the right of interpretation shall be vested in the Board of the Company.

Board of directors of Jiangsu Hengrui Pharmaceuticals Co., Ltd.
September, 2026

**APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE 2026
A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME**

**JIANGSU HENGRUI PHARMACEUTICALS CO., LTD.
ADMINISTRATIVE MEASURES OF THE 2026 A SHARE EMPLOYEE STOCK
OWNERSHIP SCHEME**

CHAPTER 1 GENERAL PROVISIONS

Article 1

For the purpose of regulating the implementation of the 2026 A Share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (“Hengrui Pharmaceuticals” or the “Company”), and in accordance with the *Company Law of the People’s Republic of China* (the “Company Law”), the *Securities Law of the People’s Republic of China* (the “Securities Law”), the Guiding Opinions on the Implementation of Employee Stock Schemes by Listed Companies on a Pilot Basis (the “Guiding Opinions”), the Self-disciplinary Supervisory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Standardised Operation (the “Operations Standards”) and other relevant laws, administrative regulations, rules, normative documents, as well as the *Articles of Association of Jiangsu Hengrui Pharmaceuticals Co., Ltd.* (the “Articles of Association”) and the *2026 A Share Employee Stock Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (draft)*, these *Administrative Measures of the 2026 A Share Employee Stock Ownership Scheme of Jiangsu Hengrui Pharmaceuticals Co., Ltd.* (the “Measures”) are hereby formulated.

**CHAPTER 2 FORMULATION OF THE EMPLOYEE STOCK
OWNERSHIP SCHEME**

Article 2 Purpose of the Scheme

The Scheme is formulated by the Company in accordance with the requirements under the Company Law, the Securities Law, the Guiding Opinions, the Operations Standards and other relevant laws, administrative regulations, rules, normative documents and the Articles of Association.

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.

Article 3 Basic Principles Governing the Scheme***(I) The principle of compliance with laws and regulations***

The Company will implement the Scheme in strict compliance with the relevant laws and administrative regulations, which require the Company to disclose true, accurate, and complete information in a timely manner. No one shall make use of the Scheme to engage in insider trading or manipulation of the securities market, among other securities fraud.

(II) The principle of voluntary participation

The implementation of the Scheme is subject to the discretionary decisions of the Company and the voluntary participation by the employees, and the Company shall not compel the employees to participate in the Scheme by way of apportionment, forced distribution, etc.

(III) The principle of self-assumption of risks

Participants of the Scheme (“Participant(s)”, “Target Holder(s)” or “Holder(s)”) shall be responsible for their own profits and losses at their own risks, and have equal rights and interests with other investors.

Article 4 Information on the Holders under the Employee Stock Ownership Scheme***(I) Legal Basis for Determining Holders of the Scheme***

The Participants of the Scheme are determined in accordance with the Company Law, the Securities Law, the Guiding Opinions, relevant laws, regulations, normative documents and relevant provisions of the Articles of Association. Employees of the Company may participate in the Employee Stock Ownership Scheme on a legal, compliant, and voluntary basis at their own risks.

(II) 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) 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 of directors of the Company (the “Board”) considers necessary to be incentivised.

In the event of any of the following circumstances, employees shall not be eligible to be the Holders of the Employee Stock Ownership Scheme:

- (1) being publicly condemned or declared as inappropriate candidates by the stock exchanges within the most recent 3 years;
- (2) being imposed with administrative penalties by the China Securities Regulatory Commission (“CSRC”) due to material breach of laws and regulations within the most recent 3 years;
- (3) causing severe impairment to the Company’s interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics within the most recent 3 years;
- (4) being deemed ineligible for the Holders of the Employee Stock Ownership Scheme by the Board; or
- (5) any other circumstances as stipulated in relevant laws, regulations or normative documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

(III) 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 no more than 1,269, of which the total number of directors (excluding independent directors) and senior management of the Company shall not exceed 8. The specific number of Participants and final subscription amounts will be determined based on the actual subscription status by employees.

(IV) Verification of Eligible Participants

Remuneration and Evaluation Committee of the Board shall verify the list of Holders. The Company shall engage a legal advisor to provide an opinion on whether the Scheme and the relevant matters are compliant with relevant laws and regulations as well as normative documents and the Articles of Association.

Article 5 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.

Article 6 Sources of Shares for the Scheme

The source of shares for the Scheme (the “Underlying Shares”) 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.

Article 7 Purchase Price and Size of the Employee Stock Ownership Scheme

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 RMB26.21 per share, which shall be no less than the par value of the A 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 60 trading days before the announcement of the draft Scheme.

Under the Employee Stock Ownership Scheme, the Company shall repurchase no more than 12.855 million A Shares, representing 0.19% 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.

Article 8 Duration Period, Lock-Up Period and Appraisal Criteria of the Scheme***(I) Duration Period of the Scheme and the Decision-Making Procedures for Its Extension Upon Expiration***

1. 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.
2. 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.
3. 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.

(II) Lock-up Period of the Underlying Shares subject to 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.

(III) Trading Restrictions of the Underlying Shares involved in the Scheme

The Scheme shall strictly abide by market trading rules and the regulations of the CSRC and Shanghai Stock Exchange (“SSE”) on stock trading. No dealings in shares in the Company is allowed during the following periods:

- (1) within 15 days before the announcement of the Company’s annual report and interim report;
- (2) within 5 days before the announcement of the Company’s quarterly report, performance forecast and brief performance report;
- (3) from the date of a major event that may have a significant impact on the trading price of securities and its derivatives of the Company or during the decision-making process, until the date of disclosure of the same in accordance with the law;
- (4) other periods specified by the CSRC and the SSE.

The trading restrictions on the Scheme shall be implemented in accordance with the latest revised relevant regulations of CSRC and SSE.

(IV) The Appraisal Indicators of the Scheme

The appraisal indicators of the Scheme are divided into performance appraisal indicators for the Company and individual performance appraisal indicators. The final number of the equity interests of the Underlying Shares unlocked for each Holder in each unlocking tranche shall be determined based on the results of the Company’s performance appraisal and individual performance appraisal.

APPENDIX II	THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME
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1. Performance appraisal indicators for the Company

The performance appraisal targets for the Company under the Employee Stock Ownership Scheme during the appraisal year are as follows:

The Company-level performance appraisal indicators include three items: revenue from sales of innovative drugs, number of IND approvals for NMEs, and number of NDA applications declared and accepted for innovative drugs (including new indications). Based on the completion of the indicators, three unlocking proportions are set: 100%, 90%, and 0%. For unlocking, the Company's performance is compared with the three indicators on a one-by-one basis, and the current unlocking proportion is determined by the lowest unlocking proportion corresponding to any of the three indicators.

① First Tranche Unlocking

Unlocking Proportion	100%	90%	0%
2026			
Innovative drug income (RMB100 million)	≥ 192	Not applicable	< 192
Number of IND approvals for NMEs	≥ 18	≥ 16	< 16
Number of NDA applications for innovative drugs declared and accepted (including new indications)	≥ 8	≥ 5	< 5

② Second Tranche Unlocking

Unlocking Proportion	100%	90%	0%
Cumulative from 2026-2027			
Innovative drug income (RMB100 million)	≥ 432	Not applicable	< 432
Number of IND approvals for NMEs	≥ 37	≥ 33	< 33
Number of NDA applications for innovative drugs declared and accepted (including new indications)	≥ 13	≥ 10	< 10

APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME

③ Third Tranche Unlocking

Unlocking Proportion	100%	90%	0%
Cumulative from 2026-2028			
Innovative drug income (RMB100 million)	≥ 732	Not applicable	< 732
Number of IND approvals for NMEs	≥ 57	≥ 51	< 51
Number of NDA applications for innovative drugs declared and accepted (including new indications)	≥ 21	≥ 17	< 17

2. Individual Performance Appraisal Indicators

Based on the Company's performance appraisal indicators, the final number of the equity interests of the Underlying Shares that can be unlocked by Holders for each unlocking period is determined by individual performance appraisal results. The number of the equity interests of the Underlying Shares to be unlocked by an individual in the current period = Target Unlocking Quantity $\times$ Unlocking Proportion. Details are as follows:

Directors, senior management and non-marketing system appraisal indicators:

Appraisal result	A+/A/B	C/D
proportion	100%	0%

Marketing system appraisal indicators:

Appraisal result	A+/A/B	C/D
Types of employee Classification		
Sales and marketing related employees	100%	0%
other employees	Pursuant to the Performance Evaluation Agreement executed between the Company and the employee	

The individual performance appraisal results shall be based on the performance appraisal documents signed between the Company and the employees, and shall be finally ratified by the Management Committee. For any portion that cannot be unlocked due to individual performance appraisal results, the Management Committee has the right to decide to claw back, and the price in respect of the clawback shall be calculated based on the lower of the subscription amount and the disposal proceeds corresponding to the Holder. The units clawed back may be allocated by the Management Committee to other eligible employees or disposed of in other ways determined by the Management Committee.

Article 9 Procedures for the Implementation of the Scheme

- (I) The Board of the Company shall be responsible for the preparation of the draft Scheme.
- (II) the Company shall adequately solicit the opinions of the employees through the Workers' Congress, etc. before implementing the Scheme.
- (III) Remuneration and Evaluation Committee of the Board of the Company shall be responsible for verifying the list of Holders, and shall express its opinions as to whether or not the Scheme is conducive to the sustainable development of the Company, whether or not there is any detriment to the interests of the Company and all shareholders, and whether or not there is any situation of compelling the employees to participate in the Scheme by way of apportionment or forced distribution.
- (IV) When the Board considers the Employee Stock Ownership Scheme, any director interested in the Employee Stock Ownership Scheme shall abstain from voting. The Board shall announce the Board resolutions, the draft Scheme and its summary, and the opinions of the Remuneration and Evaluation Committee of the Board within 2 trading days after approving the draft Scheme.
- (V) The Company would engage a legal advisor to express an opinion on the Scheme, and such legal opinion shall be announced prior to the convening of the shareholders' meeting in relation to the consideration of the Scheme.
- (VI) To convene a shareholders' meeting to consider the Scheme. Voting on such shareholders' meeting shall adopt a combination of on-site voting and online voting. The votes of small and medium investors shall be counted separately and publicly disclosed. Such directors or shareholders shall abstain from voting if they are interested in the Employee Stock Ownership Scheme. The Employee Stock Ownership Scheme can be implemented only after being approved by more than half of the valid voting rights present at the shareholders' meeting.
- (VII) To convene a Holders' Meeting of the Scheme, to elect the members of the Management Committee, to clarify the specific matters in relation to the implementation of the Scheme and to disclose in a timely manner the convening of the meeting and the relevant resolutions.
- (VIII) The Company shall disclose in a timely manner particulars such as the time, number and percentage of the Underlying Shares acquired within 2 trading days of the transfer of the Underlying Shares to the Scheme.
- (IX) Other procedures to be performed as stipulated by CSRC, SSE and The Stock Exchange of Hong Kong Limited ("SEHK").

CHAPTER 3 MANAGEMENT MODEL OF THE SCHEME**Article 10 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 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.

This Measures 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.

Article 11 Holders

The employees of the Company shall become the Holders of the Scheme upon subscribing for units of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement to rights and interests.

(I) The rights of Holders are as follows:

- (1) To be entitled to the rights and interests in proportion to the units of the Employee Stock Ownership Scheme held under their names;
- (2) to receive profit distribution and/or dividends (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the Shares;
- (3) to attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in the Measures;
- (4) To enjoy other rights stipulated by relevant laws, administrative regulations and normative documents.

(II) The obligations of Holders are as follows:

- (1) Within the Duration Period of the Employee Stock Ownership Scheme, unless otherwise specified by the Employee Stock Ownership Scheme or the Measures, the Holders shall not transfer units held by them under the Scheme, create security over such units or for debt repayment, and shall not unilaterally request any distributions of assets related to the Employee Stock Ownership Scheme;
- (2) The Holders shall comply with the plan of the Employee Stock Ownership Scheme, fulfil all undertakings made for participating in the Employee Stock Ownership Scheme, and pay the subscription amount for units of the Employee Stock Ownership Scheme within the agreed period;
- (3) The Holders shall bear the risks of the Employee Stock Ownership Scheme in proportion to the units of the Employee Stock Ownership Scheme subscribed;
- (4) The Holders shall bear the statutory taxes and fees for share transactions, such as dealing in shares or transfer of shares, when the Employee Stock Ownership Scheme satisfies the unlocking conditions, and the taxes incurred pursuant to the national and other relevant laws and regulations for participating in the Employee Stock Ownership Scheme and after the Employee Stock Ownership Scheme meets the unlocking conditions, or upon the disposal or transfer of the Shares, in proportion to the units of the Scheme held under their names;
- (5) Compliance with resolutions of the Holders' Meeting and resolutions of the Management Committee in force;
- (6) To assume other obligations under relevant laws, administrative regulations, normative documents and the Measures.

Article 12 Holders' Meeting

1. The highest internal management authority of the Scheme is the Holders' Meeting. All Holders shall have the right to participate in Holders' meetings. The Holders may attend and vote at the Holders' Meeting in person or appoint a proxy to attend and vote on their behalf. Holders and their proxies shall bear their own travelling, accommodation and food expenses for attending the Holders' Meeting.
2. The following matters require a Holders' Meeting to be convened for deliberation:
 - (1) election and removal of members of the Management Committee;

- (2) changes, termination, and extension of the Duration Period of the Scheme, and submission to the Board for review and approval;
 - (3) during the Duration Period of the Scheme, when the Company raises funds by placement of shares, issuance of additional shares, convertible bonds, etc., the Management Committee should submit it to the Holders' Meeting to consider whether to participate and the source of funds;
 - (4) to authorise the Management Committee to carry out the daily management of the Scheme;
 - (5) to authorise the Management Committee to exercise shareholders' rights;
 - (6) to authorise the Management Committee to manage the allocation of benefits under the Employee Stock Ownership Scheme and to decide on matters related to the sale, distribution, transfer of the Underlying Shares upon expiration of the Lock-up Period of the Employee Stock Ownership Scheme;
 - (7) to authorise the Management Committee to be responsible for the liquidation and property distribution of the Scheme;
 - (8) consideration and amendment of the Measures and submission of the same to the board of directors for review and approval;
 - (9) to consider other matters that need to be put forward at the Holders' Meeting.
3. The first Holders' Meeting shall be summoned and chaired by the Secretary of the Board of the Company or other authorized person, and the subsequent Holders' Meetings shall be summoned by the Management Committee and chaired by the chairperson of the Management Committee. Where the chairperson of the Management Committee is unable to perform his/her duties, he/she shall designate a member of the Management Committee to preside over the meeting.
4. To convene a Holders' Meeting, the Management Committee shall give three days' notice of the meeting to all Holders by hand, mail, fax, e-mail or by other means. The meeting notice shall include at least the following particulars:
- (1) Time and venue of the meeting;
 - (2) The manner by which the meeting is to be held;
 - (3) Proposed matters to be considered at the meeting;

- (4) The convenor and chairperson of the meeting, and the proposer(s) of the extraordinary meeting(s) and their written proposal;
- (5) Meeting materials necessary for voting at the meeting;
- (6) The requirement that the Holder should attend the meeting in person or delegate another Holder to attend the meeting on their behalf;
- (7) Contact person and contact information;
- (8) Date on which the notification is made.

A Holders' Meeting may be convened by verbal notice on an ad hoc basis. The verbal notice shall include at least the contents of (1) and (2) above and a statement that the meeting of the holders needs to be convened as soon as possible on an ad hoc basis.

5. *Voting procedures at Holders' Meetings*

- (1) After each proposal has been fully discussed, the chairperson shall, in due course, call for a vote of the Holders present at the meeting. The chairperson may also decide to call for a vote of the participating Holders after all the proposals have been discussed at the meeting, and the vote shall be taken by means of a written paper;
- (2) Holders shall have the right to vote in accordance with the units they hold, with each unit having one vote;
- (3) The Holders may opt to vote "in favour", "against" and "abstention". Holders present at the meeting shall choose one of the above, and any holder who fails to make a choice or chooses two or more of the above at the same time shall be deemed to have abstained from voting. Holders who leave the meeting venue during the course of the meeting without casting a vote shall be deemed to have abstained from voting. If a Holder votes after the chairperson of the meeting has announced the voting results or after the expiry of the time limit set for voting, their votes shall not be counted;
- (4) The chairperson of the meeting shall announce the results of the on-site vote count on the spot. A proposal is deemed to have been passed if it is voted in favour by more than 50% (exclusive) of the equity interests held by Holders with voting rights attending the Holders' Meeting, formulating a valid resolution of the Holders' Meeting (except where the Scheme stipulates that the approval of more than two-thirds (inclusive) of the units held by Holders attending the Holders' Meeting is required);

- (5) Resolutions of the Holders' Meeting that need to be submitted to the Board or the shareholders' meeting of the Company for consideration shall be submitted to the Board or the shareholders' meeting of the Company for consideration in accordance with the provisions of the Articles of Association;
 - (6) The chairperson is responsible for arranging personnel to take minutes of the Holders' Meeting.
- 6. Holders who individually or collectively hold more than 15% of the units of the Scheme may submit to the Holders' Meeting ad hoc proposals, which must be submitted to the Management Committee three days prior to the Holders' Meeting.
- 7. Holders who individually or collectively hold more than 30% of the units of the Scheme and more than two-thirds of the members of the Management Committee may propose to convene a Holders' Meeting.

Article 13 Management Committee

- 1. The Management Committee shall be established under the Scheme and is responsible to oversee the daily management of the Scheme, exercise Shareholders' rights on behalf of them. The Management Committee of the Scheme is elected through the Holders' Meeting.
- 2. The Management Committee consists of three members and shall have a chairperson of the Management Committee. The chairperson of the Management Committee shall be elected by the Management Committee by a majority of all members and shall be re-elected upon the change of the members of the Management Committee. The members of the Management Committee shall have a term that aligns with the duration of the Employee Stock Ownership scheme.
- 3. The members of the Management Committee shall comply observe the laws, administrative regulations and the provisions of the Measures, and shall owe the following obligations of fidelity to the Scheme:
 - (1) They shall not use their office to accept bribes or other illegal income, and shall not misappropriate the properties of the Scheme;
 - (2) They shall not misappropriate funds of the Scheme;
 - (3) Without the consent of the Holders' Meeting, no assets or funds of the Scheme shall be deposited in an account opened in their own name or in the name of another individual;

- (4) Without the consent of the Holders' Meeting, no funds of the Scheme shall be loaned to others, and no properties of the Scheme shall not be provided as a guarantee for others;
 - (5) They shall not use their authority to the detriment of the interests of the Scheme. A member of the Management Committee shall bear liability for damage to the loss incurred the Scheme due to the any breach of fiduciary duty;
 - (6) They shall not leak trade secret in relation to the Scheme without authorization;
 - (7) Other obligations stipulated by laws, administrative regulations, normative documents and the Measures.
4. The Management Committee shall perform the following duties:
- (1) Convening Holders' Meetings and executing resolutions passed at such meetings;
 - (2) To open and manage securities accounts, capital accounts and other relevant accounts for the Employee Stock Ownership Scheme;
 - (3) To carry out day-to-day administration of the Employee Stock Ownership Scheme on behalf of all Holders, and may engage third-party professional institutions to provide management, consulting and other services for the Employee Stock Ownership Scheme;
 - (4) To exercise shareholders' rights on behalf of all Holders, including but not limited to attending, submitting proposals and voting at the shareholders' meetings of the listed company;
 - (5) To enjoy rights on behalf of all Holders, including participating in cash dividends, bond interest payments, bonus shares, conversion of capital reserve into share capital, rights issue and placement of bonds, etc. of the listed company;
 - (6) To determine the eligibility of Holders to participate in accordance with the provisions of the Employee Stock Ownership Scheme, and decide on matters such as clawback, transfer, additional grants, succession and realisation of earnings of units held by Holders. The clawback units shall be disposed of by the Management Committee in a manner permitted by laws and regulations;
 - (7) To make the final determination of individual performance appraisal results. If there is any dispute over the appraisal results, the determination of the Management Committee shall prevail;

- (8) To manage the allocation of benefits of the Employee Stock Ownership Scheme, and to decide on matters related to the sale, distribution, transfer, etc. of the Underlying Shares upon the expiry of the Lock-up Period of the Employee Stock Ownership Scheme;
 - (9) To formulate and execute plans for the Employee Stock Ownership Scheme to participate in the Company's placements, rights issues or issuance of convertible bonds and other refinancing matters within the Duration Period;
 - (10) To sign relevant documents on behalf of all Holders;
 - (11) Other responsibilities as authorised by the Holders' Meeting;
 - (12) Other responsibilities to be discharged by the Management Committee as stipulated in the Employee Stock Ownership Scheme and relevant laws and regulations.
5. Powers to be exercised by the chairperson of the Management Committee:
- (1) To preside over the Holders' Meetings and to summon and preside over meetings of the Management Committee;
 - (2) Supervising and checking the implementation of the resolutions of Holders' Meeting and those of the Management Committee;
 - (3) Signing relevant external agreements and contracts on behalf of the Scheme;
 - (4) To exercise shareholders' rights on behalf of all holders as authorized by the Management Committee;
 - (5) Such other powers and functions as may be delegated by the Management Committee.
6. Meetings of the Management Committee shall be convened on an ad hoc basis. Such meetings shall be summoned by the chairperson of the Management Committee, with notice of the meeting given to all members of the Management Committee one day prior to the meeting.
7. A member of the Management Committee may propose to convene an ad hoc meeting. The chairperson of the Management Committee shall convene and preside over a meeting of the Management Committee within three days from the receipt of the proposal.

8. A meeting of the Management Committee may be held only with the presence of more than half of the members of the Management Committee. Resolutions of the Management Committee must be adopted by the affirmative vote of more than half of all members of the Management Committee. Voting on resolutions of the Management Committee shall be conducted on a one person, one vote basis.
9. Voting of resolutions of Management Committee meetings shall be taken by way of registered ballot. Under the premise of guaranteeing the full expression of opinions by the members of the Management Committee, the Management Committee meeting may be conducted and resolutions may be made by written communication or other means and signed by the participating members of the Management Committee.
10. The meeting of the Management Committee shall be attended by the member of the Management Committee in person. If the member of the Management Committee is unable to attend the meeting for any reason, they may authorise other members of the Management Committee members in writing to attend the meeting on their behalf. The power of attorney shall state the name of the proxy, the matters to be authorised, the scope of authorisation and the validity term, and shall be signed or stamped by the member who is unable to attend the meeting. A member of the Management Committee who attends a meeting on behalf of another member shall exercise the rights of a member of the Management Committee within the scope of the authorisation. A member of the Management Committee who fails to attend a meeting of the Management Committee and fails to appoint a proxy to attend the meeting shall be deemed to have waived their right to vote at that meeting.
11. The Management Committee shall formulate meeting minutes recording its decisions on the matters considered at the meeting, and the members of the Management Committee present at the meeting shall sign on the meeting minutes.

Article 14 Matters authorised by the shareholders' meeting to be handled by the Board including but not limited to the following matters

Matters in respect to the Scheme authorised by the shareholders' meeting to be handled by the Board at its sole discretion within the scope under the other relevant laws, regulations and normative documents, including but not limited to the following matters:

1. To authorise the Board to be responsible for the implementation of the Scheme;
2. To authorise the Board to handle the amendments to and termination of the Employee Stock Ownership Scheme;
3. To authorise the Board to make decisions on the extension of the Duration Period and early termination of the Scheme;

4. To authorise the Board to amend and interpret the draft Scheme and the Measures;
5. To authorise the Board to decide on matters related to the Employee Stock Ownership Scheme participating in the Company's rights issues and other refinancing matters within the Duration Period;
6. To authorise the Board to change the criteria for determining the Holders of the Employee Stock Ownership Scheme;
7. To authorise the Board to determine and change the management methods and means of the Employee Stock Ownership Scheme;
8. To authorise the Board to handle all procedures relating to the securities and capital accounts involved in the Employee Stock Ownership Scheme, as well as the lock-up, unlocking and distribution of transferred Shares;
9. To authorise the Board to formulate and sign contracts and agreements related to the Employee Stock Ownership Scheme;
10. The Board is authorised to make corresponding adjustments to the Employee Stock Ownership Scheme in accordance with the new laws, regulations and policies upon any change thereof within the Duration Period after the approval of the Scheme by the shareholders' meeting;
11. To propose to the shareholders' meeting to authorise the Board to deal with any matters related to announcements, circulars, etc. required to be disclosed on the website of SSE (www.sse.com.cn) or the website of SEHK (<https://www.hkexnews.hk>), and to deal with any compliance matters related to the Scheme with the SSE or SEHK;
12. To authorise the Board to handle other necessary matters required by the Scheme, except for the rights that shall be exercised by the shareholders' meeting as stipulated in the relevant laws, regulations, normative documents and Articles of Association.

The above authorisation shall be valid from the date of consideration and approval by the shareholders' meeting of the Company to the date of completion of the implementation of the Scheme.

**CHAPTER 4 COMPOSITION OF ASSETS OF THE SCHEME, AND THE
METHODOLOGY OF DISPOSAL OF RIGHTS AND INTERESTS****Article 15 Composition of Assets of the Scheme**

The assets of the Scheme shall be independent of the Company's own property and no such asset shall be account into the Company's own asset. The Company shall not encroach upon, misappropriate or otherwise transfer the assets of the Scheme to its own property in any form. The properties and incomes obtained as a result of the management, application or other circumstances of the Scheme shall be attributed to the assets of the Scheme.

Composition of assets of the Scheme is as follows:

1. The interests corresponding to the Underlying Shares of the Company held by the Scheme, the Holders who participate in the Employee Stock Ownership Scheme shall subscribe for units of the Employee Stock Ownership Scheme with their subscription amounts and be entitled to the rights and interests corresponding to holding the Company's A shares by the Scheme;
2. Cash deposits and bank interest;
3. Assets resulting from other investments made by the Scheme.

Article 16 Distribution of Rights and Interests Within the Duration Period of the Employee Stock Ownership Plan

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 subscription amount. Holders shall enjoy shareholders' rights through the Underlying Shares obtained from 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, normative documents or with the consent of the Management Committee, the Holders, without authorisation, shall not unilaterally withdraw from, transfer, or create use as security, pledge, guarantee over, 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 deducting relevant taxes in accordance with the laws, 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 for the units of the Employee Stock Ownership Scheme held by the Holders shall be determined by the Management Committee.

**CHAPTER 5 CHANGES AND TERMINATION OF THE SCHEME AND
DISPOSAL OF HOLDERS' RIGHTS AND INTERESTS****Article 17 Changes of the Scheme**

- (I) During the Duration Period of the Scheme, any change to the Scheme shall be subject to the consent of the holders of more than two-thirds (inclusive) of the portions of the Scheme who attend the Holders' Meeting and shall be submitted to the Board of the Company for consideration and approval before implementation.
- (II) If, for any reason, a change occurs in the Company's de facto controller or in the event of mergers, divisions or similar circumstances, the Board shall have the discretion to decide whether to modify or terminate the implementation of this Employee Stock Ownership Scheme.

Article 18 Termination of the Scheme

- 1. The Scheme shall terminate automatically upon expiration of the Duration Period in case of no extension is granted.
- 2. After the expiration of the Lock-up Period of the Scheme, the Scheme may be terminated in advance upon completion of corresponding procedures when all the Underlying Shares held by the Scheme are sold or transferred.

Article 19 Disposal of Holders' Rights and Interests

- 1. If a Holder experiences a normal job position change within the Company, the units of the Employee Stock Ownership Scheme held by him/her shall be handled strictly in accordance with the relevant provisions of this Scheme.
- 2. Within the Duration Period, if a Holder loses the qualification to participate in this Scheme due to any of the following circumstances, the Management Committee shall have the right to disqualify the Holder and compulsorily claw back the units of the Employee Stock Ownership Scheme held by him/her from the date of occurrence of such circumstance. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders:
 - (1) being identified as an inappropriate candidate by the stock exchange in the last 12 months;
 - (2) being identified as an inappropriate candidate by CSRC and its dispatched agencies in the last 12 months;

- (3) being subjected to administrative penalties or securities market entry prohibition measures by CSRC or any of its dispatched agencies due to material breach of laws and regulations in the last 12 months;
 - (4) Circumstances where one is prohibited from serving as a director, supervisor, or senior management of the Company as stipulated by the Company Law;
 - (5) Demotion leading to loss of eligibility to participate in this Scheme, or the Company terminates the employment with the Holder due to incompetence for the job;
 - (6) Becoming other personnel prohibited from participating in a listed company's employee stock ownership plan as stipulated by laws and regulations;
 - (7) Other circumstances identified by the CSRC.
- 3. If a Holder ceases to hold relevant positions in the Company due to resignation or redundancy made by the Company, from the date of occurrence of such circumstance, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders.
 - 4. If a Holder leaves his/her position due to retirement, from the date of occurrence of such circumstance, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders, unless the Company decides to re-employ the Holder after retirement.
 - 5. If a Holder leaves his/her position due to incapacity, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders.
 - 6. In the event of a Holder's death, the units of the Employee Stock Ownership Scheme held by him/her that are not yet unlocked shall be remained locked and shall be reverted to the Company. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders.
 - 7. If a Holder causes serious damages against the Company's interests or reputation due to his or her violation of laws, professional ethics, leaking corporate confidential information, dereliction of duty or malfeasance, or breach of relevant provisions of the Non-Competition Agreement signed with the Company, the Management Committee shall

have the right to disqualify the Holder and compulsorily claw back the unlocked units of the Employee Stock Ownership Scheme held by him/her. The clawback price shall be calculated based on the lower of the subscription amount and the proceeds after the sales corresponding to the Holders, and the Holder shall also be required to return the income from his/her unlocked units of the Employee Stock Ownership Scheme.

8. Within the Duration Period, the units of the Employee Stock Ownership Scheme clawed back by the Company may be allocated by the Management Committee to other eligible employees or disposed of in other ways determined by the Management Committee.
9. Within the Duration Period, in case of other special circumstances not explicitly stipulated in the Employee Stock Ownership Scheme, if there are explicit or regulatory provisions, they shall be complied with; otherwise, the Management Committee shall further clarify during the implementation process.

Article 20 Liquidation and Distribution After the Expiry of the Duration Period of the Employee Stock Ownership Scheme

1. The Employee Stock Ownership Scheme shall automatically terminate upon expiry of its Duration Period. The Management Committee shall, in accordance with the authorisation of the Holders' Meeting, complete the liquidation within 30 working days from the date of expiration or termination. After deducting relevant taxes and fees according to law, the disposal method shall be determined by the Management Committee.
2. Within the Duration Period of the Employee Stock Ownership Scheme, the Management Committee may distribute cash from the capital account of the Employee Stock Ownership Scheme to the Holders in accordance with the authorisation of the Holders' Meeting.
3. 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 deducting relevant taxes according to law, 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.

CHAPTER 6 SUPPLEMENTARY ARTICLES

Article 21 The consideration and approval of the Scheme by the Board and the shareholders' meeting of the Company does not imply that a Holder enjoys the right to continue to serve in the Company or the subsidiary, and does not constitute a commitment by the Company or the subsidiary to the period of employment of the employees, and the employment between the Company or the subsidiary and the Holder shall also be governed by the employment contract entered into between the Company or the subsidiary and the Holder.

Article 22 Matters such as the financial and accounting treatment and taxation of the Company's implementation of the Scheme shall be carried out in accordance with the provisions of the relevant financial system, accounting standards and taxation system. The relevant personal income tax to be paid by the employees due to their participation in the Scheme shall be borne by themselves.

Article 23 The authority to interpret these Measures vests exclusively with the Board. These Measures shall become effective upon approval by the shareholders' general meeting.

Board of directors of Jiangsu Hengrui Pharmaceuticals Co., Ltd.
September, 2026

The following is the full text of the 2026 H Share Scheme for the purpose of incorporation in this circular. In case of any discrepancies between the Chinese and English versions of the 2026 H Share Scheme, the English version shall prevail.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meaning:

“A Share(s)”	means 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 RMB;
“Acceptance Notice”	has the meaning ascribed thereto under Clause 6.6;
“Acceptance Period”	has the meaning ascribed thereto under Clause 6.5.3;
“Actual Selling Price”	has the meaning ascribed thereto under Clause 7.3.2;
“Administrator”	means the person(s) duly delegated and authorized by the Board for the purpose of administering this Scheme;
“Adoption Date”	the date on which the adoption of this Scheme is approved by the Shareholders at a general meeting by way of special resolution;
“Articles”	means the articles of association of the Company;
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Auditors”	means the auditors of the Company from time to time;
“Award(s)”	means award(s) granted by the Administrator to an Eligible Participant as the Administrator may determine in accordance with the terms of this Scheme, which may take the form of an RSU Award;

“Board”	means the board of directors of the Company;
“Business Day(s)”	means any day(s) on which the Hong Kong Stock Exchange is open for the business of dealing in securities;
“close associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Company”	means 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 the Hong Kong Stock Exchange (stock code: 1276);
“connected person”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“core connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“CSRC”	means China Securities Regulatory Commission;
“Director(s)”	means any director (including independent non-executive director) of the Company;
“Eligible Participant(s)”	means any Employee Participant, who the Administrator considers, in its sole discretion, has the eligibility ascribed thereto in Clause 5, provided that no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to this Scheme is not permitted under the laws and regulations of such place, or where, in the view of the Board or the Administrator, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in this Scheme;

“Employee Participant(s)”	means any Director or employee of the Company or any of its subsidiaries (including any person who is granted Awards under this Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);
“Grant”	means the offer of the grant of an Award to be made in accordance with this Scheme;
“Grant Date”	means the date (which shall be a Business Day) on which the Grant is made to an Eligible Participant, being the date stated in the Grant Letter(s);
“Grant Letter”	has the meaning ascribed thereto under Clause 6.5;
“Grantee”	means any Eligible Participant who accepts a Grant or is deemed to have accepted a Grant in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee;
“Group”	means the Company and its subsidiaries from time to time, each a “Group Company”;
“H Share(s)”	means overseas-listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong dollar”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong Listing Rules”	means 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”	means The Stock Exchange of Hong Kong Limited;
“IND”	means Investigational New Drug;

“Individual Limit”	has the meaning ascribed thereto under Clause 6.10;
“NDA”	means New Drug Application;
“NME”	means new molecular entity;
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this Scheme, Hong Kong, the Macau Special Administrative Region and Taiwan region;
“Purchase Price”	means the price (if any) payable by a Grantee to purchase H Shares under this Scheme, which shall be determined at the sole and absolute discretion of the Administrator;
“Remuneration and Evaluation Committee”	means the remuneration and evaluation committee of the Board;
“Relevant Eligible Participant”	has the meaning ascribed thereto under Clause 6.10;
“Relevant Scheme(s)”	means this Scheme and any other Share Scheme(s);
“RMB”	means the lawful currency of the People’s Republic of China;
“RSU(s)”	means restricted share unit(s) to be granted under this Scheme, each of which represents one underlying H Share, and/or represents a conditional right granted to any Selected Participant(s) pursuant to this Scheme to obtain the corresponding economic value of the underlying H Shares, less any tax, stamp duty and other charges applicable, as determined by the Administrator in its absolute discretion;
“Scheme”	means this 2026 H Share Scheme in its present form or as amended from time to time;
“Scheme Mandate Limit”	has the meaning ascribed thereto under Clause 11.1;
“Selected Participant(s)”	means any Eligible Participant(s) selected by the Administrator in accordance with the terms of the Scheme;

“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所);
“Share Schemes”	means share options schemes and/or RSU schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time;
“Share(s)”	means ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s);
“Shareholder(s)”	means holder(s) of Shares;
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Supplementary Guidance”	has the meaning ascribed thereto under Clause 13.1.3(iv)
“Treasury Share(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Trust”	means the trust constituted under the Trust Deed;
“Trust Deed”	means a trust deed entered into or to be entered into between the Company as the settlor and the Trustee as the trustee in respect of the appointment of the Trustee for the administration of this Scheme (as restated, supplemented and amended from time to time);
“Trust Fund”	has the meaning as defined in the Trust Deed;

“Trustee”	means the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) appointed by the Company for the administration of this Scheme or any additional or replacement trustee(s);
“Unaccepted H Share(s)”	such H Share(s) pursuant to a Grant which is/are not accepted by the Selected Participant(s) within the Acceptance Period and have been or will be dealt with in accordance with Clause 10;
“Unvested H Shares”	such H Shares underlying the Awards which are not vested in the Selected Participants and have been or will be lapsed in accordance with Clause 9;
“Vesting Date”	means the date(s) of the vesting of the RSUs, which shall be determined from time to time by the Administrator in accordance with this Scheme and the Grant Letter(s);
“2026 H Share Scheme Limit”	has the meaning ascribed thereto under Clause 11.1; and
“%”	means per cent.

1.2 In this Scheme, save where the context otherwise requires:

- (a) paragraph headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to Clauses are references to Clauses of this Scheme;
- (c) a reference, express or implied, to statutes, statutory provisions or the Hong Kong Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule; expressions in the singular shall include the plural and vice versa;
- (d) expressions in any gender or the neuter shall include other genders and the neuter;

- (e) a reference to “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind whether or not having separate legal identity;
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same; and
- (h) references to new H Shares shall include the Treasury Shares, while references to the issue of new H Shares shall include the transfer of the Treasury Shares.

2. PURPOSE OF THIS SCHEME

2.1 This Scheme enables the Company to grant Awards in the form of RSUs, and its purpose is:

- (i) to improve the corporate governance structure, establish and enhance the long-term incentive mechanism of the Group;
- (ii) to recognize the contributions by the Selected Participants, including the Directors, senior management and other key personnel of the Company, and to provide them with an opportunity to acquire a proprietary interest in the Company through ownership of H Shares, so as to encourage and incentivize such persons and to closely align their interests with those of the Company and the Shareholders as a whole; and
- (iii) to attract, motivate and retain suitable and skilled personnel for the continual operation, development and long-term growth of the Group,

in order to promote the long-term, sustainable development and financial success of the Group.

3. EFFECTIVENESS AND DURATION

3.1 Without prejudicing the subsisting rights of any Selected Participant and subject to any early termination as may be determined by the Administrator pursuant to Clause 19 of this Scheme, this Scheme shall be valid and effective for a period of three (3) years commencing on the Adoption Date, after which no further Awards will be granted, but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to any Awards granted prior to such expiry and the administration of the Trust Fund held by the Trustee pursuant to the Trust Deed.

4. ADMINISTRATION

4.1 The Board has the power to administer the Scheme and may delegate the authority to administer the Scheme to the Remuneration and Evaluation Committee or such other person(s) from time to time, provided that nothing in this Clause 4.1 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board. This Scheme shall be subject to the administration of the Administrator in accordance with the terms and conditions of this Scheme. The Administrator shall have the sole and absolute right to:

4.1.1 interpret and construe the provisions of this Scheme, and make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the rules of this Scheme;

4.1.2 determine the Eligible Participants who will be granted the Awards under this Scheme, the terms and conditions on which the Awards will be granted and the vesting conditions and schedule of the Awards to be granted pursuant to this Scheme;

4.1.3 where applicable, establish and administer performance targets in respect of the Grants made or to be made to the Grantees;

4.1.4 appoint and remove the Trustee from time to time;

4.1.5 make such appropriate and equitable adjustments to the terms of the Awards granted under this Scheme as it deems necessary; and

4.1.6 make such other decisions or determinations as it shall deem appropriate or desirable in the administration of the Scheme.

All the decisions, determinations and interpretations made by the Administrator in accordance with this Scheme shall be final, conclusive and binding on all persons affected thereby.

4.2 Subject to any applicable laws, regulations and rules, the powers and obligations of the Trustee will be limited as set forth in the Trust Deed and the Trustee shall, prior to the Awards being vested and the H Shares underlying the Awards being transferred to the Grantees pursuant to this Scheme, exercise all powers and rights attached to the H Shares (excluding the voting rights thereof) under this Scheme pursuant to the authorization and instruction by the Administrator. The Trustee will (i) hold the Trust Fund (including the Unaccepted H Shares, the Unvested H Shares and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these H Shares) for all or such one or more of the Selected Participants in accordance with the terms of the Trust Deed and (ii) exercise the power

of appointment conferred on the Trustee subject to the terms and conditions set out herein (if any) and in the Trust Deed and such further terms and conditions as the Administrator may stipulate at the time of selecting any person as a Selected Participants hereunder.

- 4.3 Each Selected Participant waives any right to contest, amongst other things, the number and value of Awards or H Shares or equivalent value of cash underlying the Awards or H Shares and the Administrator's administration of this Scheme.
- 4.4 No member of the Administrator shall be personally liable by reason of any contract or other instrument executed by such member or on his/her behalf in his/her capacity as a member of the Administrator nor for any mistake of judgment made in good faith in relation to the administration or interpretation of the Scheme, and the Company shall indemnify on demand and hold harmless each employee of the Company or any Director to whom any duty or power relating to the administration or interpretation of the Scheme may be allocated or delegated against any costs and expenses (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Administrator) arising out of any act or omission to act in connection with the Scheme, unless arising out of such person's own gross negligence, fraud or bad faith.
- 4.5 In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Hong Kong Listing Rules and all applicable PRC laws, regulations and rules.

5. ELIGIBILITY

- 5.1 The Eligible Participants include Employee Participants. The definitions and interpretations of Employee Participants under the Scheme are set out in Clause 1.1.
- 5.2 The eligibility of the Eligible Participants to the grant of the Awards shall be determined by the Administrator from time to time and on a case-by-case basis subject to the Administrator's opinion as to his/her contribution to the development and growth of the Group or such other factors as the Administrator may deem appropriate.
- 5.3 The selection of Eligible Participants under this Scheme shall, to the extent applicable, be determined and made in accordance with the Hong Kong Listing Rules, the Company Law of the PRC, the Securities Law of the PRC and other applicable PRC laws, regulations and regulatory documents and the relevant provisions of the Articles.
- 5.4 In assessing the eligibility of Employee Participants, the Administrator will at its discretion consider all relevant factors as appropriate, including but not limited to: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and reputation, responsibilities and employment conditions; (b) their length of service with the Group; (c) their contributions or potential contributions to the development and growth of the Group; (d) the level of support, assistance, guidance, advice and effort they have provided or will provide in relation to the business

development of the Group; (e) in the case of existing employees holding management positions, the contribution of their respective departments to the long-term operations and development of the Group; and (f) any other factors the Administrator may consider appropriate at its discretion.

5.5 Notwithstanding any other provisions of this Scheme, a person shall not be eligible to participate in this Scheme if:

5.5.1 such person has been publicly condemned or declared by any stock exchange as an inappropriate person to be a candidate within the 3 years preceding the proposed Grant Date;

5.5.2 such person has been imposed with administrative penalties by any securities regulatory authority (including the CSRC) due to material breach of laws and regulations within the 3 years preceding the proposed Grant Date;

5.5.3 such person has caused severe impairment to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics within the 3 years preceding the proposed Grant Date;

5.5.4 such person has been determined by the Board to be ineligible for participation in this Scheme; or

5.5.5 any other circumstances under applicable laws, regulations or normative documents that prohibit such person from participating in a share incentive scheme of a listed company.

6. GRANT OF AWARDS

6.1 On and subject to the terms of this Scheme and the terms and conditions that the Administrator imposes pursuant to Clause 4.1, the Administrator shall be entitled at any time during the term of this Scheme to make a Grant to any Eligible Participant, as the Administrator may in its absolute discretion determine.

6.2 The Administrator may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making a Grant to an Eligible Participant (including, without limitation, as to the performance targets, clawback mechanism, the vesting period, if any, attached to the Award), provided such terms and conditions shall not be inconsistent with any other terms and conditions of this Scheme. The terms and conditions of an Award may be determined at the sole and absolute discretion of the Administrator and may differ among Selected Participants.

- 6.3 In determining the Selected Participants, the number of H Shares underlying the Awards and/or vesting conditions attached to such Awards may be determined at the sole and absolute discretion of the Administrator after taking into consideration the following factors:
- (a) the present and expected contribution of the relevant Selected Participants to the Group;
 - (b) the general financial condition of the Group;
 - (c) the Group's overall business objectives and future development plan; and
 - (d) any other matter which the Administrator considers relevant.
- 6.4 (a) The Purchase Price (if any) of the RSUs under this Scheme shall be determined at the sole and absolute discretion of the Administrator after taking into consideration (i) the purpose of the Award, (ii) the closing price of the H Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the Grant Date, (iii) the average closing price of the H Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the ten (10) Business Days immediately preceding the Grant Date and/or (iv) any other matter which the Administrator considers relevant. Such consideration (if any) shall be paid to the Company at the sole and absolute discretion of the Administrator. For the avoidance of doubt, the Administrator may determine the Purchase Price to be nil.
- (b) The Grantee may be required to pay HK\$1.00 (or such other nominal sum in any currency as the Administrator may determine) as consideration for the acceptance of the Grant within such period as the Administrator may determine. For the avoidance of doubt, the Administrator may determine the price for the acceptance of the Grant to be nil.
- 6.5 Subject to limitations and conditions of this Scheme, an offer of grant of Award to each of the Selected Participants will be made by the Administrator by way of a letter in writing (the "**Grant Letter**"), in such form as the Administrator may from time to time determine for acceptance by the Selected Participants, each of which shall:
- 6.5.1 state the name of the Selected Participant;
 - 6.5.2 state the Grant Date;
 - 6.5.3 specify a date, being a date not later than ten (10) Business Days after the following dates (whichever is earlier) ("**Acceptance Period**"): (i) the date on which the Company issues the Grant Letter or (ii) the date on which the conditions (if any) for the Grant are satisfied, by which the Selected Participant must accept the Grant or be deemed to have declined it;

- 6.5.4 state the method for accepting the Grant;
 - 6.5.5 specify the number of Awards to be granted together with the number of H Shares represented by such Awards;
 - 6.5.6 if applicable, state the Purchase Price for RSUs, the consideration for acceptance of the Grant (if any), the relevant payment period and mechanism;
 - 6.5.7 specify the vesting period, which shall not be less than 12 months;
 - 6.5.8 specify the clawback mechanism;
 - 6.5.9 specify the performance target, as the Administrator may in its absolute discretion specify as it thinks fit, which will be imposed on a case-by-case basis to ensure the Award vested would be beneficial to the Group, with general factors to be taken into account including but not limited to (i) at the Company level, revenue from sales of innovative drugs, number of IND approvals for NMEs, and number of NDA applications declared and accepted for innovative drugs (including new indications); and (ii) at the individual level (subject to the Company level performance target being satisfied), individual performance appraisal results based on appraisal indicators set by the Company, which shall be finally concluded in the appraisal documents signed between the Company and the employees and confirmed by the Administrator;
 - 6.5.10 require the Eligible Participant to undertake to be bound by the provisions of the Grant Letter or the Scheme;
 - 6.5.11 if applicable, specify any other conditions attached to the Grant or Award as the Administrator may determine from time to time; and
 - 6.5.12 subject to the above, be made in such form as the Administrator may from time to time prescribe, the provisions of the rules of this Scheme, the Hong Kong Listing Rules, the Articles, as well as any other applicable laws, regulations and rules.
- 6.6 Upon the receipt from the selected Eligible Participant of a duly executed notice for the acceptance of the Awards (the “**Acceptance Notice**”) and a certificate of payment of the consideration for acceptance of the Grant (if any) within the required period, the Awards shall be granted to such Eligible Participant, and such Eligible Participant shall become a Grantee pursuant to this Scheme. Once accepted, the Awards are deemed to be granted from the Grant Date. To the extent that the Grant or any term or condition set out in the Grant Letter is not accepted by any selected Eligible Participant within ten (10) Business Days after (i) the Grant Date, or (ii) the date on which the conditions (if any) for the Grant are satisfied, whichever is earlier (“**Acceptance Period**”), or in a manner prescribed in the Grant Letter, it shall be deemed that such Grant has irrevocably lapsed and terminated

and that the H Shares underlying the Awards that would have been granted under the Grant shall become Unaccepted H Shares which shall be dealt with in accordance with Clause 10 and shall immediately lapse.

- 6.7 The grant of Awards shall be satisfied by (i) new H Shares to be allotted and issued by the Company (which may be allotted and issued to the Trustee or directly to the Selected Participants); (ii) existing H Shares to be acquired by the Trustee in accordance with the Company's instructions and with funds provided by the Company through on-market transactions; and/or (iii) Treasury Shares to be transferred by the Company.
- 6.8 No Grant shall be made to any Eligible Participant and no payment will be made to the Trustee and no instruction to acquire H Shares will be given to the Trustee under the Scheme:
- 6.8.1 after information that must be disclosed under Rule 13.09 of the Hong Kong Listing Rules or inside information which must be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after it has announced the information;
- 6.8.2 during the period of (i) 60 days immediately preceding the publication date of the annual results or the period from the end of the relevant financial year up to the publication date of the results (whichever is shorter); and (ii) 30 days immediately preceding the publication date of the quarterly results and half-year results or the period from the end of the relevant quarterly or half-year period up to the publication date of the results (whichever is shorter), and in the event of delay in publication of such periodic report or announcement of results due to special circumstances, such period shall commence from either 30 days or 60 days prior to the original expected date of publication and such period shall also cover the period of delay in the publication of the periodic report or announcement of results;
- 6.8.3 during a specified period, where a Grant is prohibited under the Hong Kong Listing Rules, the SFO or other applicable laws or regulations from time to time or where such Grant would render the Company the subject of a mandatory offer under the Codes on Takeovers and Mergers and Share Buy-backs from time to time;
- 6.8.4 in any other circumstances where dealings in Shares by a Grantee (including Directors) are prohibited under the Hong Kong Listing Rules, the SFO or any other applicable law or regulation;
- 6.8.5 where the requisite approval for such Grant from any applicable regulatory authorities has not been obtained;
- 6.8.6 where the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect of this Scheme, unless the Administrator determines otherwise;

- 6.8.7 where the Grant would result in a breach of any applicable laws, rules or regulations by any Group Company or any of its directors or senior management members; or
- 6.8.8 where the Grant would result in a breach of the 2026 H Share Scheme Limit, the Scheme Mandate Limit or other rules of this Scheme.
- 6.9 The provisions of Clauses 6.10 to 6.14 shall be subject to any waiver or ruling granted by the Hong Kong Stock Exchange, and may be amended by the Administrator to reflect any amendments made by the Hong Kong Stock Exchange after the Adoption Date to the relevant provisions of the Hong Kong Listing Rules which these Clauses have been drafted to reflect as at the Adoption Date. For the purpose of calculating the limit in Clauses 6.10 and 6.12, Awards that have already lapsed shall not be counted.
- 6.10 Subject to Clause 6.11, no Award shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”) if, at the time of the Grant, the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards already lapsed in accordance with the terms of the scheme) to such person under this Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award would exceed 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date (“**Individual Limit**”), unless:
- 6.10.1 such Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Hong Kong Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her close associates (or his/her associates if the Relevant Eligible Participant is a connected person) abstained from voting;
- 6.10.2 a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules; and
- 6.10.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- 6.11 Where an Award is to be granted to any Director, the chief executive or any substantial shareholder of the Company (or any of their respective associates), the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Grantee of the Award.
- 6.12 Where an Award is to be granted to an independent non-executive Director or a substantial shareholder of the Company (or any of their respective associates), and the Grant will result in the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person under this Scheme and any other Share Schemes in

the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall not be valid unless:

- 6.12.1 the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Hong Kong Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - 6.12.2 a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award) as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - 6.12.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- 6.13 Where an Award is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company or any of their respective associates, and the Grant will result in the number of the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person under this Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall not be valid unless:
- 6.13.1 the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Hong Kong Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - 6.13.2 a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

6.13.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

6.14 Where any change is to be made to the terms of any Award granted to a Director, the chief executive or a substantial shareholder of the Company (or any of their respective associates) and:

6.14.1 such Grant has been approved in accordance with Clause 6.12 or 6.13; or

6.14.2 (where the grant was not subject to Clause 6.12 or 6.13) as a result of such proposed change, the Grant would come to be subject to Clause 6.12 or 6.13, such change shall not be valid unless:

- (i) the change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Hong Kong Listing Rules, by the Shareholders in general meeting, at which such Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval; and
- (ii) a circular regarding the change has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee of the Award) as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).

6.15 In the cases referred to in Clauses 6.10 to 6.14, where an Award has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Purchase Price (if applicable) paid by the Eligible Participant relating to such Award shall be refunded (without interest) by the Company.

7. VESTING OF RSUS

7.1 Subject to the terms of this Scheme and the specific terms and conditions applicable to each Award, the Awards granted shall be subject to a vesting schedule (if any) and to the satisfaction of performance milestones or targets and/or other conditions to be determined by the Administrator (if any) in its sole and absolute discretion. If such conditions are not satisfied or waived, the Award shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Administrator in its sole and absolute discretion. The Administrator will conduct assessment at the end of a performance period by comparing the Group's overall performance and the individual performance of the Grantees with the pre-agreed performance targets to determine whether the targets have been met and the extent to which they have been met.

- 7.2 Within a reasonable time after the fulfilment or waiver (by the Administrator in its sole and absolute discretion) of the vesting schedule and vesting conditions (if any) applicable to a Grantee or a Grant, a notice in writing will be sent to the Grantee by the Administrator, stating, *inter alia*, the payment notice and the payment deadline as to the Purchase Price (if any) of the RSUs. The Grantee is required to return to the Company, after receiving the notice, the documents as set out in the notice which the Administrator considers necessary (including but not limited to the evidence showing the payment of full amount of the Purchase Price (if any)). In the event that the Grantee fails to return to the Company the required documents within ten (10) Business Days or such other date as stated in the notice, the Administrator may determine in its sole and absolute discretion that the relevant RSUs shall lapse.
- 7.3 Subject to the execution of documents by the Grantee as set out above, the Awards shall be satisfied at the election of the Grantee as soon as reasonably practicable after the receipt of the notice (or such adjusted period if the Administrator in its sole discretion considers it appropriate due to applicable legal, regulatory or Hong Kong Listing Rules provisions) in the following methods:
- 7.3.1 subject to Clause 7.4 below, the Administrator directing and procuring the Trustee to transfer the H Shares underlying the Awards (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these H Shares) to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) from the Trust Fund;
- 7.3.2 payment in cash, or the Administrator directing and procuring the Trustee to pay to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) in cash an amount which is equivalent to the market value of the H Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these H Shares) set out in Clause 7.3.1 above after deduction or withholding of any tax, fees, levies, stamp duty and other charges applicable to the entitlement of the Grantee (the “**Actual Selling Price**”) and the sales of any H Shares to fund such payment and in relation thereto; and/or
- 7.3.3 subject to Clause 7.4 below, the Company allotting and issuing the relevant number of H Shares (including transfer of the Treasury Shares) to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company).
- 7.4 Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or might be prohibited from dealing in the H Shares by the Hong Kong Listing Rules (where applicable) or by any other applicable laws, regulations or rules, the date on which the relevant H Shares underlying the Awards shall be transferred to the Grantee and/or a

vehicle controlled by him/her (such as a trust or a private company) shall occur as soon as possible after the date when such dealing is permitted by the Hong Kong Listing Rules or by any other applicable laws, regulations or rules.

- 7.5 The Administrator shall have the sole and absolute discretion to determine whether or not a Grantee shall have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any H Shares underlying an Award prior to vesting of such Awards as H Shares.
- 7.6 If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of the Shareholders (or Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, an Employee Participant's RSUs will vest immediately to the extent specified in a notice given by the Company even if the vesting period has not yet commenced, at any time within such period as shall be notified by the Company, provided that none of the events set out in Clause 9.1 has occurred prior to vesting under this Clause 7.6. All the remaining Awards shall be automatically cancelled on the date determined by the Company.
- 7.7 If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such Shareholders' approval is obtained, an Employee Participant's RSUs will vest immediately to the extent specified in a notice given by the Company even if the vesting period has not yet commenced, at any time within such period as shall be notified by the Company, provided that none of the events set out in Clause 9.1 has occurred prior to vesting under this Clause 7.7. All the remaining Awards shall be automatically cancelled on the date determined by the Company.
- 7.8 If an effective resolution is passed during the effective period of this Scheme for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSUs of Employee Participants shall be treated as having vested immediately, to the extent specified in a notice given by the Company. No H Shares will be transferred, and no cash alternative will be paid, to the Employee Participant, but the Employee Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Company's Shareholders such sum as they would have received in respect of the Awards, provided that none of the events set out in Clause 9.1 has occurred prior to vesting under this Clause 7.8. All the remaining Awards shall be automatically cancelled on the date determined by the Company.

8. TRANSFERABILITY

- 8.1 An Award shall be personal to the Grantee and shall not be assignable nor transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber, hedge or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Award, or any property held by the Trustee on trust for the Grantees or enter or purport to enter into any agreement to do so, unless a waiver is granted by the Hong Kong Stock Exchange to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any his/her family members (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of Chapter 17 of the Hong Kong Listing Rules.

9. LAPSE AND CLAWBACK

- 9.1 Subject to Clause 9.3 and other terms and conditions of this Scheme, and unless otherwise determined by the Administrator, any RSUs (to the extent unvested) shall automatically lapse and be repurchased by the Company at the Purchase Price (if any) or the Actual Selling Price (whichever is lower) upon the occurrence of the earliest of the following events:
- 9.1.1 the date of cessation of employment by reason of resignation or redundancy;
 - 9.1.2 the date of retirement of the Grantee, save where the Company elects to re-engage the Grantee;
 - 9.1.3 the date on which the Grantee becomes permanently incapacitated for work;
 - 9.1.4 the date of death of the Grantee;
 - 9.1.5 the date on which the Grantee commits a breach of Clause 8.1;
 - 9.1.6 the date on which the Grantee commits a breach of law, violation of professional ethics, unauthorized disclosure of confidential information, dereliction of duty or malfeasance;
 - 9.1.7 the date on which the Grantee knowingly performs any act that may confer any competitive benefit or advantage upon any competitor of the Group, or becomes a senior officer, director, employee, consultant, advisor, partner of, or a stockholder or other proprietor owning more than a 5% interest in, whether directly or indirectly, any competitor of the Group; or
 - 9.1.8 the date of occurrence of any of the events set out in Clause 9.5.

- 9.2 Where any unvested RSUs of a Grantee lapse in accordance with the rules of this Scheme, the Administrator shall refund to the Grantee the Purchase Price (if any) in correspondence to such unvested RSUs paid by the Grantee pursuant to Clause 6.4 of this Scheme and the terms and conditions as set out in the Grant Letter.
- 9.3 Notwithstanding any other provisions of this Scheme (but subject to any applicable laws or regulations), in each case, the Administrator may in its sole and absolute discretion decide that any Awards shall not lapse or shall be subject to such conditions or limitations as the Administrator may decide.
- 9.4 For the avoidance of doubt, as determined by the Administrator in its absolute discretion, even if the Grantee has returned the documents and the Purchase Price (if any) required for the vesting of the Awards pursuant to Clause 7.2, such Awards shall lapse immediately if any of the circumstances described in Clause 9.1 occurs in respect of the Grantee prior to settlement of the H Shares.
- 9.5 Unless otherwise determined by the Administrator, the Administrator shall have the right to disqualify a Grantee from being an Eligible Participant and compulsorily claw back any RSUs (to the extent vested) from the date of occurrence of the earliest of the following events:
- 9.5.1 the Grantee has been identified as an inappropriate candidate by any stock exchange in the last 12 months;
 - 9.5.2 the Grantee has been identified as an inappropriate candidate by CSRC and its dispatched agencies in the last 12 months;
 - 9.5.3 the Grantee has been subjected to administrative penalties or securities market entry prohibition measures by CSRC or any of its dispatched agencies due to material breach of laws and regulations in the last 12 months;
 - 9.5.4 the Grantee falls under any of the circumstances where one is prohibited from serving as a director, supervisor, or senior management of the Company as stipulated by the Company Law of the PRC;
 - 9.5.5 the Grantee is demoted to a position leading to loss of eligibility to participate in this Scheme, or the Company terminates the employment with the Grantee due to incompetence for the job;
 - 9.5.6 the Grantee becomes a person who is prohibited from participating in a listed company's employee stock ownership plan as stipulated by laws and regulations;

9.5.7 the Grantee causes serious damages against the Company's interests or reputation due to his or her violation of laws, professional ethics, leaking corporate's confidential information, dereliction of duty or malfeasance, or breach of relevant provisions of the non-competition agreement signed with the Company; or

9.5.8 other circumstances as determined by the Hong Kong Stock Exchange, the CSRC and/or any other statutory or regulatory bodies.

Upon the occurrence of a clawback event, with respect to RSUs vested in the manner set out in Clause 7.3.1 or 7.3.3, the RSUs shall be repurchased by the Company at the Purchase Price (if any) or the Actual Selling Price (whichever is lower); with respect to RSUs vested in the manner set out in Clause 7.3.2, the Grantee shall be required to disgorge the income from his/her vested RSU (if any).

10. UNACCEPTED AND UNVESTED H SHARES

10.1 Where H Shares, referable to a Selected Participant and held under the Trust,

10.1.1 are not accepted by such Selected Participant within the stipulated time and become Unaccepted H Shares in accordance with Clause 6.6; or

10.1.2 do not vest in accordance with the relevant provisions of this Scheme (including failure to fulfil the vesting conditions as set out in the Grant Letter as determined by the Administrator) and become Unvested H Shares,

the Trustee shall, after having taken into account the recommendations of the Administrator, hold such Unaccepted or Unvested H Shares and all income derived therefrom for the benefit of all or one or more of the Selected Participants, as the Administrator in its absolute discretion shall at any time grant.

10.2 All Unaccepted H Shares or Unvested H Shares, when granted, shall be subject to the same vesting conditions as they apply to any Awards.

11. MAXIMUM NUMBER OF H SHARES AVAILABLE FOR SUBSCRIPTION

11.1 Subject to Clauses 11.4 and 11.5, the maximum number of H Shares which may be issued in connection with this Scheme must not exceed 1,000,000 H Shares (representing approximately 0.4% of the total number of H Shares in issue (excluding any Treasury Shares) as at the Adoption Date (the "**2026 H Share Scheme Limit**"), assuming that no further H Shares will be allotted, issued, repurchased or cancelled from the date hereof up to the Adoption Date). In any event, unless a higher threshold is permissible under the Hong Kong Listing Rules or any other applicable laws and regulations, the total number

of H Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) on the Adoption Date (the “**Scheme Mandate Limit**”).

11.2 Subject to Clause 12.3, for the purposes of calculating the 2026 H Share Scheme Limit or the Scheme Mandate Limit under Clause 11.1, Awards that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilized.

11.3 If the Company conducts a share consolidation or subdivision after the 2026 H Share Scheme Limit or the Scheme Mandate Limit has been approved by the Shareholders in general meeting, the maximum number of H Shares that may be issued in respect of all awards to be granted under the Scheme under the 2026 H Share Scheme Limit, or in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as a percentage of the total number of issued Shares (excluding Treasury Shares, if any) at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

11.4 The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting after three years from the date of Shareholders’ approval for the last refreshment (or the Adoption Date), provided that:

11.4.1 the total number of H Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders; and

11.4.2 a circular regarding the proposed refreshing of the Scheme Mandate Limit has been issued to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules.

Within three years from the date of Shareholders’ approval for the last refreshment (or the Adoption Date), the Scheme Mandate Limit may be refreshed by the Shareholders in general meeting subject to the requirements under Clauses 11.4.1 and 11.4.2 and the following provisions:

11.4.3 any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

11.4.4 the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Hong Kong Listing Rules.

The requirements under Clauses 11.4.3 and 11.4.4 do not apply if such refreshment is made immediately after an issue of securities by the Company to Shareholders on a *pro rata* basis as set out in Rule 13.36(2)(a) of the Hong Kong Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of issued Shares (excluding Treasury Shares, if any)) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

11.5 The Company may seek separate approval from the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit being exceeded, provided that:

11.5.1 the grant is only to Eligible Participants specifically identified by the Company before the approval is sought;

11.5.2 a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules; and

11.5.3 the number and terms of the Awards to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.

12. CANCELLATION OF AWARDS

12.1 The Board or the Administrator may at its discretion cancel any Award that has not vested, provided that:

12.1.1 the Company or any of its subsidiaries pays to the Grantee an amount equal to the fair value of the Awards at the date of the cancellation as determined by the Administrator, after consultation with the Auditors or an independent financial adviser appointed by the Administrator;

12.1.2 the Company or its relevant subsidiary provides to the Grantee a replacement award (or a grant under any other Share Schemes) of equivalent value to the Awards to be cancelled; or

12.1.3 the Administrator makes any arrangement as the Administrator and Grantee may mutually agree in order to compensate him/her for the cancellation of the Awards.

12.2 Where a Selected Participant remains an Eligible Participant, but the following circumstances occur, the Board may at its discretion cancel such Awards without payment of compensation under Clause 12.1 to the Selected Participant:

12.2.1 the Administrator reasonably believes that any vesting conditions (including performance targets) which have not been fulfilled are no longer likely to be fulfilled;

12.2.2 the Selected Participant fails to pay the consideration for the acceptance of the Grant in accordance with the notice of acceptance; or

12.2.3 the Selected Participant has committed an act of misconduct (the determination of whether his/her conduct constitutes an act of misconduct shall be at the sole and absolute discretion of the Administrator).

12.3 Where the Company cancels any Awards granted to a Grantee and makes a new grant of awards to the same Grantee, such new grant may only be made with available 2026 H Share Scheme Limit. For the purpose of this Clause 12.3, the Awards cancelled will be regarded as utilized in calculating the 2026 H Share Scheme Limit.

13. REORGANIZATION OF CAPITAL STRUCTURE

13.1 In the event of any alteration in the capital structure of the Company (namely, capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company) whilst any Award remains outstanding, the Administrator may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including:

13.1.1 in the case of a share subdivision or consolidation, an adjustment to the maximum number of H Shares subject to the Scheme, as set out in Clause 11.3; and/or

13.1.2 the number of the unvested RSUs; and/or

13.1.3 Purchase Price (if any), provided that:

- (i) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (ii) any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he/she was previously entitled;
- (iii) where applicable, no such adjustments shall be made to the extent that an H Share would be issued at less than its nominal value (if any);
- (iv) any such adjustments, save those made on a capitalization issue, shall be confirmed by an independent financial adviser or the Auditors in writing to the Directors as satisfying the requirements of Clause 13.1.3(ii) above, the requirements of the relevant provisions of the Hong Kong Listing Rules and

the supplementary guidance on Rule 17.03(13) of the Hong Kong Listing Rules set out in the FAQ13 – No. 16 (the “FAQ”) and the related Appendix 1 entitled “Supplementary Guidance on MB Rule 17.03(13)/GEM Rule 23.03(13) and the Note to the Rule” published by the Hong Kong Stock Exchange (the “**Supplementary Guidance**”) and any further guidance/interpretation of the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange from time to time, and that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Administrator under this Clause 13.1 are fair and reasonable; and

- (v) any adjustments to be made will comply with the Hong Kong Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange from time to time.

13.2 Based on the above principles and conditions, the default method of adjustment is set out below:

- (i) *in the case of capitalization issue or rights issue:*

New number of Awards = Existing number of Awards x F

New Purchase Price = Existing Purchase Price x $\frac{1}{F}$

$$F = \frac{\text{CUM}^1}{\text{TEEP}}$$

$$\text{TEEP (Theoretical Ex Entitlement Price)} = \frac{\text{CUM} + (\text{M}^2 \times \text{R}^3)}{1 + \text{M}}$$

Where:

1. CUM represents the closing price of the H Shares as shown in the daily quotation sheet of the Hong Kong Stock Exchange on the last day of trading before going ex-entitlement;
 2. M represents entitlement per existing H Share; and
 3. R represents the subscription price of the capitalization issue or rights issue.
- (ii) *in the case of subdivision, consolidation or reduction of share capital of the Company:*

New number of Awards = Existing number of Awards x F

$$\text{New Purchase Price} = \text{Existing Purchase Price} \times \frac{1}{F}$$

Where F represents subdivision, consolidation or reduction factor.

13.3 If there has been any alteration in the capital structure of the Company as referred to in Clause 13.1, the Company shall inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the independent financial adviser or the Auditors (as the case may be) obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the independent financial adviser or the Auditors (as the case may be) as soon as practicable to issue a certificate in that regard in accordance with Clause 13.1.

13.4 For the purposes of Clause 13, the independent financial adviser or the Auditors shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

14. RIGHTS ATTACHED TO AWARDS AND H SHARES UNDERLYING THE AWARDS

14.1 Neither the Grantees nor the Trustee may exercise any of the voting rights in respect of any unvested RSUs. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to this Scheme, unless and until such H Shares underlying the Awards are actually transferred to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the RSUs. Unless otherwise specified by the Administrator in its sole and absolute discretion in the Grant Letter pursuant to Clause 7.5 in this Scheme, the Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any H Shares underlying the Awards prior to the vesting of the RSUs.

14.2 Any H Shares underlying the Awards to be transferred to a Grantee or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the RSUs granted pursuant to this Scheme shall be subject to all the provisions of the Articles and shall rank *pari passu* in all respects with the existing fully-paid Shares in issue on the date of transfer, or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly shall entitle the holder of such H Shares to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and to exercise all voting rights in respect of such H Shares.

- 14.3 The Trustee shall not exercise any voting rights in respect of any H Shares held, whether directly or indirectly, by the Trustee for the purpose of the Scheme, and will therefore abstain from voting on any Shareholders' general meeting of the Company, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

15. COMPLIANCE

- 15.1 No discretion shall be exercised by, as to the Grant and vesting pursuant to this Scheme, and no instructions to deal in any H Shares underlying the Awards shall be given to, the Trustee under this Scheme, where such exercise of discretion or giving of instructions (as applicable) is prohibited under the Hong Kong Listing Rules, the SFO and other applicable laws, regulations and rules from time to time (and such prohibition has not been waived in respect of the Company). Where such prohibition causes a timeline under this Scheme or the Trust Deed (including but not limited to the Vesting Date or the exercise of any discretion by the Administrator) to be impracticable, such timeline shall be treated as extended until as soon as practicable after the first date on which the prohibition no longer prevents the relevant action or event, or as soon as practicable after a decision has been made as to whether the discretion should or should not be exercised, as the case may be.

- 15.2 The Administrator shall comply with all applicable disclosure requirements in connection with the administration and operation of this Scheme, including but not limited to the requirements under the Hong Kong Listing Rules and applicable laws, regulations and rules from time to time.

16. WITHHOLDING

- 16.1 The Company or any subsidiary shall be entitled to withhold, and any Selected Participants shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant of the Awards and any expenses required to be paid under this Scheme.
- 16.2 The Administrator may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any subsidiary receive advice concerning the occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such subsidiary any tax deduction resulting from the occurrence of such event.
- 16.3 The Company or any subsidiary may, by notice to the Selected Participants and subject to any rules as the Administrator may adopt, require that the Selected Participants pay at the time of the Grant an amount estimated by the Company or any subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Grant.

17. DISPUTES

- 17.1 Any dispute arising in connection with the Scheme shall be referred to the decision of the Administrator and whose decision shall be final and binding.

18. ALTERATION OF THIS SCHEME

- 18.1 The Scheme may be altered in any respect by resolution or written approval of the Administrator, except that any alterations to the terms and conditions of the Scheme that are of a material nature or any alterations to the specific terms of this Scheme which relate to the matters set out in Rule 17.03 of the Hong Kong Listing Rules to the advantage of Grantees or proposed Grantees must be approved by the Shareholders in general meeting (with the Grantees and their associates abstaining from voting). The Administrator's determination as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be conclusive.
- 18.2 Any change to the authority of the Administrator to alter the terms of the Scheme shall not be valid unless approved by Shareholders in general meeting.
- 18.3 Any change to the terms of Awards granted to a Grantee must be approved by the Administrator, the Remuneration and Evaluation Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of such Awards under the Scheme was approved by the Administrator, the Remuneration and Evaluation Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the Scheme.
- 18.4 The amended terms of the Scheme or the Awards must comply with the relevant requirements of Chapter 17 of the Hong Kong Listing Rules.
- 18.5 The Company must provide to all Grantees all details relating to changes in the terms of the Scheme during the life of the Scheme immediately upon such changes taking effect.

19. TERMINATION

- 19.1 Notwithstanding anything contained to the contrary in this Scheme and without prejudice to any subsisting rights of any Grantee hereunder, this Scheme may be terminated at any time prior to the expiry of its term by a resolution of the Board. For the avoidance of doubt, no further Awards shall be granted after this Scheme is terminated but in all other respects the provisions of this Scheme shall remain in full force and effect. All Awards granted prior to such termination and not vested on the date of termination shall remain valid.

19.2 The Administrator shall notify the Trustee of such termination. The Awards granted under this Scheme before such termination and which are not vested as at the date of termination shall continue to be held by the Trustee and shall vest in accordance with the terms and conditions of the Awards.

19.3 Upon the expiry of the Trust period,

- (i) the Trustee shall act in accordance with the Trust Deed in terms of how the Trust Fund held by the Trustee on trust and other interests or benefits in relation to the outstanding H Shares underlying the Awards shall be dealt with;
- (ii) all remaining H Shares in the Trust Fund (other than the Awards to be vested in the Grantees) shall be sold by the Trustee within a reasonable period following termination of the Trust (or such other period as the Board may otherwise determine), provided that no suspension of trading of the H Shares occurs during such sale; and
- (iii) the net proceeds of all the sales referred to in Clause 19.3(ii) and other remaining funds and properties in the Trust Fund administered by the Trustee, after appropriate deduction of all relevant selling expenses, liabilities and costs, shall then be remitted to the Company. For the avoidance of doubt, the Trustee shall not transfer the H Shares to the Company, and the Company shall not otherwise hold the H Shares (other than the interest in the proceeds from the sale of the H Shares pursuant to Clause 19.3(ii)).

20. MISCELLANEOUS

20.1 This Scheme shall not form part of any contract of employment or contract of services between any Group Company and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his/her office, employment or engagement in services shall not be affected by the participation of the Eligible Participants in this Scheme or any rights which he/she may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office, employment or engagement for any reason.

20.2 If any provision of this Scheme or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify this Scheme or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of this Scheme or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of this Scheme and any such Award shall remain in full force and effect.

- 20.3 This Scheme shall not confer on any person any legal or equitable right (other than those rights constituting and attaching to the Awards themselves) against the Administrator or any Group Company directly or indirectly or give rise to any cause of action at law or in equity against the Administrator or any Group Company.
- 20.4 The provisions of Awards need not be the same with respect to each Grantee, and such Awards to individual Grantees need not be the same in subsequent years.
- 20.5 Any notice or other communication between the Company (through the Administrator or itself) and a Grantee may be given by sending the same by prepaid post or personal delivery to, in the case of the Company, its registered office in Hong Kong or the PRC, or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his/her address as notified to the Company and the Administrator from time to time. Notices may also be sent electronically to Grantees by sending it to the e-mail address notified by the Grantee to the Company and the Administrator from time to time.
- 20.6 Except as otherwise expressly provided under this Scheme,
- 20.6.1 any notice or other communication served by post:
- (i) by the Company or the Administrator shall be deemed to have been served 24 hours after the same was put in the post; and
 - (ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company or the Administrator;
- 20.6.2 any notice or other communication served by hand shall be deemed to have been served at the time of delivery; or
- 20.6.3 any notice or other communication served by electronic means by the Company or the Administrator or the Grantee shall be deemed to have been served if the sender did not receive a failure of receipt notification.
- 20.7 Any notice or other communication shall not be withdrawn once it is delivered by the Grantee, except for those which shall only become effective upon a confirmation of the receipt by the Company or the Administrator.
- 20.8 The acceptance of an Award by, the vesting of the RSUs and issue and transfer of H Shares underlying the Awards to a Grantee may be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and/or the People's Republic of China, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval and going through any other governmental or other official procedures that may be required by any country or jurisdiction in these regards. The Group and its affiliates may coordinate or assist the Grantee in complying with such applicable requirements and taking any other actions as may be required by any

applicable laws, regulations or rules. However, the Group and its affiliates shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his/her participation in this Scheme. Subject to the instruction of the Board, the Administrator shall be entitled to establish such arrangements as it deems reasonably necessary with respect to the mechanisms to implement the vesting of the RSUs, the remittance of the proceeds therefrom to Grantees and related registration, recordation and reporting matters to ensure that the Grantee, the Administrator and the Company can comply with all applicable securities, foreign exchange and tax regulations of all relevant jurisdictions, including without limitation, the People's Republic of China. Each Grantee shall authorize the Administrator, the Trustee and the Company to establish all necessary brokerage and other accounts on the Grantee's behalf and shall provide to the Administrator, the Trustee and the Company such information as the Administrator deems necessary in connection with the Company's and the Grantee's compliance with the foregoing obligations.

20.9 In the event that an Award lapses in accordance with the Scheme, no Grantees shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed.

20.10 This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong. The courts of Hong Kong are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Scheme and all Awards granted hereunder and accordingly any legal action or proceedings arising out of or in connection with the Scheme and all Awards granted hereunder may be brought in such courts.

– End of Scheme –

The following is an explanatory statement required by the Hong Kong Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the special resolution to be proposed at the Shareholders' Meeting in relation to the granting of the H Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of H Shares in issue of the Company was 258,197,600 H Shares and the Company had no Treasury Shares. Subject to the passing of the special resolution set out in item 6 of the Notice of Shareholders' Meeting, assuming that no further H Shares will be allotted, issued, repurchased or cancelled from the date of this circular up to the Adoption Date, i.e. the H Shares in issue (excluding Treasury Shares) being 258,197,600 H Shares, the Directors would be authorized under the H Share Repurchase Mandate to repurchase, during the period in which the H Share Repurchase Mandate remains in force, a total of 25,819,760 H Shares, representing 10% of the total number of H Shares in issue (excluding any Treasury Shares) as at the date of the Shareholders' Meeting.

2. REASONS FOR H SHARE REPURCHASE

The Directors believe that the granting of the H Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

The H Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF H SHARE REPURCHASE

In repurchasing its H Shares, the Company intends to apply funds from its internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with its Articles of Association, the laws of the PRC and/or any other applicable laws, as the case may be.

4. IMPACT OF H SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2025) in the event that the H Share Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the H Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Hong Kong Stock Exchange and the Shanghai Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date are as follows:

Month	H Shares prices		A Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>	Highest <i>RMB</i>	Lowest <i>RMB</i>
2025				
August	84.50	70.50	66.87	60.00
September	92.30	77.00	74.04	64.00
October	95.20	71.85	71.66	62.71
November	76.00	65.50	64.99	59.31
December	76.80	69.55	64.15	58.68
2026				
January	80.95	68.45	65.83	56.08
February	72.00	64.55	59.95	56.23
March	68.00	60.00	57.44	51.11
April	71.30	63.65	58.45	53.81
May	76.75	57.25	58.87	47.62
June	61.55	51.30	53.45	45.26
July	62.80	54.05	58.00	50.22
August	60.30	45.66	55.88	45.88

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Hong Kong Listing Rules) have any present intention to sell any H Shares to the Company in the event that the granting of the H Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the granting of the H Share Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase H Shares pursuant to the H Share Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws of the PRC. In addition, the Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

The Company may cancel the repurchased H Shares following settlement of any such repurchase and/or hold the repurchased H Shares as Treasury Shares subject to market conditions and its capital management needs at the relevant time of the repurchases.

For any Treasury Shares deposited with CCASS pending resale on the Hong Kong Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those H Shares were registered in its own name as Treasury Shares.

7. TAKEOVERS CODE

If as a result of a repurchase of H Shares pursuant to the H Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the Directors are not aware of any consequence under the Takeovers Code and any similar applicable laws which may arise as a result of any repurchase of H Shares under the H Share Repurchase Mandate.

8. SHARE REPURCHASE MADE BY THE COMPANY**Repurchase of A Shares**

Details of the repurchase made by the Company on the Shanghai Stock Exchange during the six months prior to the Latest Practicable Date are as follows:

Date of repurchase	Number of A Shares repurchased (shares)	Highest repurchase price (RMB per share)	Lowest repurchase price (RMB per share)
February 26, 2026	276,000	56.69	56.61
March 2, 2026	623,000	55.63	54.25
March 3, 2026	630,000	54.27	53.52
April 7, 2026	64,800	55.99	55.72
April 14, 2026	44,000	55.73	55.69
June 4, 2026	420,000	47.70	46.70
June 5, 2026	200,000	47.45	47.05
June 8, 2026	444,000	46.31	45.66
June 9, 2026	70,000	45.82	45.30
June 10, 2026	10,000	46.06	46.02
June 11, 2026	150,000	46.91	46.85
June 17, 2026	120,000	46.88	46.85
July 17, 2026	280,000	54.05	53.75
August 3, 2026	637,000	53.08	52.87
August 6, 2026	985,800	52.91	52.01
August 10, 2026	200,000	54.20	53.65
August 12, 2026	125,000	54.41	54.15
August 13, 2026	405,000	54.27	53.75
August 14, 2026	488,000	53.20	52.40

Save as disclosed above, during the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Hong Kong Stock Exchange, the Shanghai Stock Exchange or otherwise).

NOTICE OF THE 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING



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)

NOTICE OF THE 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN THAT the 2026 first extraordinary shareholders' meeting (the **"Shareholders' Meeting"**) of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (the **"Company"**) will be held on Thursday, September 24, 2026 at 2:30 p.m. at No. 1288, Haik Road, Pudong New Area, Shanghai, PRC for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the proposed adoption of the 2026 A Share Employee Stock Ownership Scheme;
2. To consider and approve the proposed adoption of the Administrative Measures for the 2026 A Share Employee Stock Ownership Scheme;
3. To consider and approve the proposed authorization to the board of directors of the Company to deal with matters relating to the 2026 A Share Employee Stock Ownership Scheme;

SPECIAL RESOLUTIONS

4. To consider and approve, with or without amendments, the proposed adoption of the 2026 H Share Scheme;
5. To consider and approve, with or without amendments, the proposed authorization to the Board and/or the Administrator to handle matters relating to the 2026 H Share Scheme; and
6. To grant the Board, with or without amendments, a general mandate to repurchase H Shares not exceeding 10% of the total number of H Shares in issue (excluding any Treasury Shares) on the date of passing the special resolution as set out on pages 29 to 31 of the circular of the Company dated September 8, 2026.

For and on behalf of the Board

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

Mr. Sun Piaoyang

Chairman

Shanghai, PRC
September 8, 2026

NOTICE OF THE 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING

Notes:

1. Unless otherwise specified, the terms used in this notice should have the same meanings as those defined in the circular of the Company dated September 8, 2026.
2. All resolutions at the Shareholders' Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Hong Kong Listing Rules. The results of the poll will be published on the websites of the Company at www.hengrui.com and the Hong Kong Stock Exchange at www.hkexnews.hk after the Shareholders' Meeting.
3. Any shareholder entitled to attend and vote at the Shareholders' Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H shares), at least 24 hours before the Shareholders' Meeting (i.e. not later than 2:30 p.m. on Wednesday, September 23, 2026) or any adjourned meeting(s) thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the Shareholders' Meeting or any adjourned meeting thereof should he/she so wish.
5. For the purpose of determining the list of holders of H Shares who are entitled to attend the Shareholders' Meeting, the H share register of members of the Company will be closed from Monday, September 21, 2026 to Thursday, September 24, 2026, both days inclusive, during which period no transfer of H Shares will be registered. The record date will be Thursday, September 24, 2026. In order to be eligible to attend and vote at the Shareholders' Meeting, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, September 18, 2026 for registration.
6. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. A shareholder or his/her proxy should produce proof of identity when attending the Shareholders' Meeting.
9. References to date and time in this notice are to Hong Kong dates and time.

As at the date of this notice, 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. Lou Liguang, Mr. Zeng Qingsheng, Mr. Sun Jinyun and Mr. Chow Kyan Mervyn as independent non-executive Directors.