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**RemeGen Co., Ltd.\***

**榮昌生物製藥（煙台）股份有限公司**

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

**(Stock Code: 9995)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2020**

The Board is pleased to announce the consolidated results of the Group for the year ended December 31, 2020, together with the comparative figures for the year ended December 31, 2019.

### **BUSINESS HIGHLIGHTS**

The Company was successfully listed on the Stock Exchange on November 9, 2020. Our product pipeline and business operations have made significant progress last year:

- The U.S. Food and Drug Administration (FDA) granted us approval to conduct the Phase III studies of telitacicept for the treatment of systemic lupus erythematosus (SLE) in the United States in January 2020. The FDA granted fast track designation to telitacicept for the treatment of SLE in April 2020, which could expedite the review and potential approval process in the United States.
- We received an approval notification from the FDA to conduct a Phase II clinical trial of telitacicept for the treatment of Immunoglobulin A Nephropathy (IgAN) in the United States in December 2020. This provides the Company with a clear path to directly initiate a Phase II clinical trial of telitacicept in IgAN without a Phase I study in the United States.
- Our new drug application (NDA) for disitamab vedotin for HER2 over-expressing locally advanced or metastatic advanced gastric cancer (GC) was accepted by the National Medical Products Administration of the PRC (NMPA) and was granted priority review in August 2020.

- We received investigational new drug (IND) approval for disitamab vedotin from the FDA for the treatment of patients with HER2 – expressing advanced or metastatic gastric cancer and gastro-esophageal junction adenocarcinoma in October 2020. The FDA also granted fast track designation to disitamab vedotin for the treatment of gastric cancer and gastro-esophageal junction adenocarcinoma in November 2020.
- Disitamab vedotin was granted the breakthrough therapy designation for the treatment of HER2-expressing advanced or metastatic advanced urothelial cancer (UC) by the NMPA in December 2020.
- The FDA provided clearance for us to proceed with a Phase II study for the treatment of HER2-expressing advanced or metastatic advanced urothelial cancer (UC) in April 2020. The FDA also granted disitamab vedotin fast track designation and breakthrough therapy designation for UC in July and September 2020 respectively.
- As we have observed preliminary efficacy of disitamab vedotin in patients with low-level HER2 expression, we have obtained the consent from NMPA for us to initiate a Phase III trial of disitamab vedotin in patients with HER2 low-expressing (IHC 2+ and FISH–) BC.
- RC108, the antibody-drug conjugate (ADC) independently developed in-house by the Company, has obtained approval from NMPA to advance to Phase I clinical trial for c-Met positive advanced solid tumors in China in November 2020.
- The initial sales team for autoimmune diseases has been established, and we began to establish an independent sales team in oncology.
- We have initiated a manufacturing facility expansion project at Company headquarters in Yantai, which will increase our production capacity from the existing 12,000L to 36,000L upon completion.

Subsequent to the reporting period, the NMPA granted conditional marketing authorization to telitacicept (brand name: 泰爱®) for the treatment of SLE in China.

## FINANCIAL HIGHLIGHTS

- Bank balances and cash amounted to approximately RMB2,809.3 million as of December 31, 2020.
- The Company incurred total expenses of approximately RMB707.6 million for the year ended December 31, 2020, including research and development expenses of approximately RMB465.8 million.
- The research and development expenses increased by approximately RMB113.8 million, or approximately 32%, to approximately RMB465.8 million.
- The loss before tax increased by approximately RMB267.5 million, or approximately 62%, to approximately RMB697.8 million.
- Loss for the year increased by approximately RMB267.5 million, or approximately 62%, to approximately RMB697.8 million.
- The adjusted net loss increased by approximately RMB256.1 million, or approximately 60%, to approximately RMB681.3 million.

\* Adjusted net loss is not a financial measurement as defined under IFRS, but a financial measurement after deducting loss before tax for the year and adding back share-based payments.

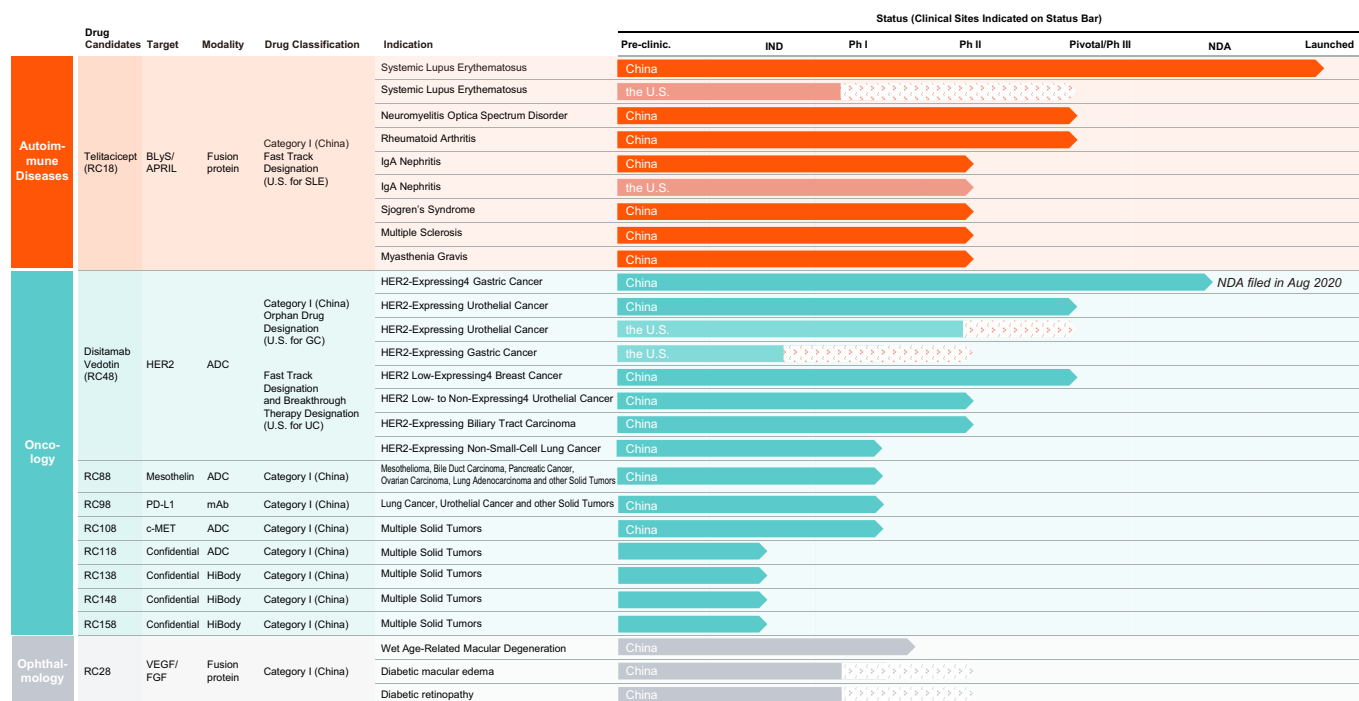
## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

We are a commercial-ready biopharmaceutical company committed to the discovery, development and commercialization of innovative and differentiated biologics for the treatment of autoimmune, oncology and ophthalmic diseases with unmet medical needs in China and globally. Our vision is to become a leading player in the global biopharmaceutical industry. Since our inception in 2008, we have been dedicated to the research and development of biologics with novel targets, innovative design and breakthrough potential to address global unmet clinical needs. Through more than ten years of efforts, we have built fully-integrated, end-to-end therapeutics development capabilities encompassing all the key biologic drug development functionalities, including discovery, pre-clinical pharmacology, process and quality development, clinical development, and manufacturing in compliance with global good manufacturing practice (GMP). Leveraging our strong research and development platforms, we have discovered and developed a robust pipeline of more than ten drug candidates. Among our drug candidates, six are in clinical development stage targeting 17 indications. Two of our clinical-stage candidates, telitacicept (RC18) and disitamab vedotin (RC48), are in registrational trials targeting six indications in China and the United States. Our new drug application (NDA) for telitacicept in China for systemic lupus erythematosus (SLE) was accepted by the National Medical Products Administration (NMPA) in November 2019 and we obtained marketing approval in March 2021. Our NDA for disitamab vedotin in China for gastric cancer (GC) was accepted by the NMPA and was granted priority review in August 2020.

## PRODUCT PIPELINE

The following chart illustrates our pipeline and summarizes the development status of our clinical-stage drug candidates and selected IND-enabling stage candidates as of December 31, 2020:



## BUSINESS REVIEW

The Company was successfully listed on the Stock Exchange on November 9, 2020. Since that date, the Group has made significant progress in its pipeline drugs and business operations to meet investor expectations.

### Telitacept (RC18)

- Telitacept is our proprietary novel fusion protein for treating autoimmune diseases. It is constructed with the extracellular domain of the human transmembrane activator and calcium modulator and cyclophilin ligand interactor (TACI) receptor and the fragment crystallizable (Fc) domain of human immunoglobulin G (IgG). Telitacept targets two cell-signaling molecules critical for B-lymphocyte development: B-cell lymphocyte stimulator (BLYS) and a proliferation inducing ligand (APRIL), which allows it to effectively reduce B-cell mediated autoimmune responses that are implicated in several autoimmune diseases.
- We are currently evaluating telitacept in late-stage clinical trials in order to explore its potential to address seven autoimmune diseases, in an attempt to address the significant unmet or underserved medical needs in this therapeutic area.
  - o SLE
    - *China:* Based on the completed Phase IIb registrational trial in China, we have initiated a Phase III confirmatory clinical trial in China in July 2019. The NMPA accepted our NDA for the conditional marketing of telitacept for the treatment of SLE in November 2019 and granted us priority review in December 2019. We were granted conditional marketing approval by the NMPA in March 2021. We have enrolled 281 patients in the Phase III confirmatory clinical trial as of December 31, 2020.



## Disitamab vedotin (RC48)

- Disitamab vedotin is our leading antibody-drug conjugate (ADC) product candidate and is the first ADC in China to have received IND approval for clinical trials. Disitamab vedotin is a novel ADC independently developed by us to treat human epidermal growth factor receptor 2 (HER2) expressing (including low-expressing) solid tumors. Disitamab vedotin is currently being studied in multiple late-stage clinical trials in China across a variety of solid tumor types. In two Phase II clinical trials in China, disitamab vedotin has demonstrated promising efficacy in patients with HER2-expressing advanced or metastatic gastric cancer (GC) and urothelial cancer (UC), and has also proved its potential as treatment for HER2-expressing (including low-expressing) breast cancer (BC).
- We have been developing disitamab vedotin for a variety of HER2-expressing cancer types. Currently, we are strategically focused on clinical investigation of disitamab vedotin for GC, UC and BC, which suggest particularly significant unmet medical needs. We are also exploring the efficacy of disitamab vedotin in other prevalent cancer types with HER2 expression, such as non-small cell lung cancer (NSCLC) and biliary tract cancer (BTC).
  - o GC
    - *China:* We have substantially completed our Phase II registrational trial of disitamab vedotin as monotherapy for the treatment of HER2 over-expressing (IHC 2+ or IHC 3+) GC in China in November 2019. Based on the Phase II registrational trial results for the treatment of GC, we submitted our NDA to the NMPA for conditional approval of disitamab vedotin for GC in August 2020, which was accepted by the NMPA and was granted priority review. We are also exploring the clinical potential of disitamab vedotin in combination of PD-1 antibody for the treatment of HER2 over-expressing GC.
    - *United States:* We received IND approval from FDA for the treatment of patients with advanced or metastatic gastric cancer and gastro-esophageal junction adenocarcinoma in October 2020. The FDA also granted fast track designation to disitamab vedotin for the treatment of gastric cancer in November 2020.
  - o UC
    - *China:* We have completed a Phase II trial of disitamab vedotin in the patients with HER2 over-expressing (IHC 2+ or IHC 3+) UC in China. Based on the positive clinical results of this Phase II trial and after communicating with the NMPA, we initiated a multi-center, single-arm and open-label Phase II registrational trial to evaluate disitamab vedotin as monotherapy for the treatment of HER2 over-expressing UC in China. Patient enrollment for this trial was completed as of September 2020. We were granted the breakthrough therapy designation for the treatment of UC by the NMPA in December 2020. We are also exploring the clinical potential of disitamab vedotin in combination of PD-1 antibody for the treatment of HER2-expressing UC.
    - *United States:* We have obtained FDA's approval for the IND application for a Phase II trial in UC in April 2020. In July and September 2020, the FDA granted disitamab vedotin fast track designation and breakthrough therapy designation for UC, respectively.

- o BC: As we have observed preliminary efficacy of disitamab vedotin in patients with low-level HER2 expression, we have communicated with the NMPA and obtained their consent for us to initiate a Phase III trial of disitamab vedotin in patients with HER2 low-expressing (IHC 2+ and FISH-) BC. We have enrolled 17 patients as of December 31, 2020.
- o NSCLC: We are conducting an open-label Phase Ib trial to evaluate disitamab vedotin as monotherapy for the treatment of HER2 over-expressing (IHC 2+ or IHC 3+) or HER2 mutant NSCLC in China. We have enrolled 31 patients as of December 31, 2020.
- o BTC: We are conducting a multi-center, single-arm and open-label Phase II trial to evaluate disitamab vedotin as monotherapy in the patients with HER2 over-expressing (IHC 2+ or IHC 3+) BTC post to the failure of first-line chemotherapy in China. We have enrolled one patient in this trial as of December 31, 2020.
- **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the disitamab vedotin (RC48) will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

## RC28

- RC28 is an innovative fusion protein targeting both vascular endothelial growth factor (VEGF) and fibroblast growth factor (FGF). We are evaluating, and plan to evaluate, RC28 in clinical studies for several ophthalmic diseases, including wet age-related macular degeneration (wet AMD), diabetic macular edema (DME) and diabetic retinopathy (DR). In the Phase I clinical trial, no safety concerns were detected for up to 2.0 mg injection of RC28 in wet AMD patients.
- Currently, we are conducting an open-label, single-arm Phase Ib dose-expansion trial to evaluate the efficacy and safety of RC28 in the patients with wet AMD. We have enrolled 37 patients in this trial as of December 31, 2020.
- **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the RC28 will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

## Other Clinical-stage Drug Candidates

- RC88 is a novel mesothelin-targeting ADC we developed for the treatment of solid tumors. It is currently in a Phase I clinical trial in patients with multiple advanced solid tumors, with a particular focus on pancreatic cancer, mesothelioma, bile duct carcinoma, ovarian carcinoma, gastric cancer, triple-negative breast cancer and lung adenocarcinoma. We have enrolled 7 patients in this trial as of December 31, 2020.
- RC98 is an innovative PD-L1 monoclonal antibody we developed for the treatment of solid tumors. We obtained the IND approval for RC98 from the NMPA in July 2019 and we have initiated a Phase I clinical trial in patients with multiple advanced solid tumors, including but not limited to lung cancer and urothelial cancer. We have enrolled 2 patients as of December 31, 2020.
- RC108 is our third ADC product developed in-house that has entered into clinical development stage. It is a c-Met-targeted ADC. c-Met is a receptor tyrosine kinase that, after binding with its ligand, hepatocyte growth factor, activates a wide range of different cellular signaling pathways, including those involved in proliferation, motility, migration and invasion. It is a well-characterized oncogene that is associated with poor prognosis in many solid tumor types. We have obtained approval from NMPA to advance to Phase I clinical trial for c-Met positive advanced solid tumors in China in November 2020.
- **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the RC88, RC98 or RC108 will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

## Commercialization

We have established our sales and marketing department dedicated to the commercialization of our pipeline products. According to the indications of our products, we have established two independent sales teams in the areas of autoimmune diseases and oncology.

As of December 31, 2020, the initial sales team for autoimmune diseases has been established and consists of 90 members with rich experience in the commercialization of autoimmune therapeutics. While telitacicept gradually penetrates the market, we expect to continue to expand this team after the commercialization of this product.

We began to establish sales team for the oncology diseases in 2020. We have recruited 7 members for this team as of December 31, 2020. We expect to expand this team to around 150 members before the approval for the commercialization of disitamab vedotin is obtained this year.



Leveraging the expertise and industry connections of our team, we will market the products primarily through a physician-targeted marketing strategy, focusing on direct and interactive communication with key opinion leaders and physicians in the respective therapeutic areas to promote the differentiating clinical aspects of our products. Such marketing efforts are expected to commence several months before the expected approval for the commercialization of a drug candidate. In preparation for the sales of telitacicept, for instance, we have identified a number of hospitals, clinics and physicians specialized in the treatment of SLE, and have started to visit the sites and physicians in person for pre-launch training and liaison.

## **KEY EVENTS AFTER THE REPORTING PERIOD**

On March 11, 2021, we obtained a conditional marketing authorization from NMPA for telitacicept (brand name: 泰爱®) in the treatment of SLE in China, and we started to sell this product in China in the same month.

## **THE IMPACT OF COVID-19**

The management of the Company expected that clinical trials in and outside mainland China will not be significantly affected by the outbreak of COVID-19. The Directors believe that, based on the information available as of the date of this announcement, the outbreak of COVID-19 would not result in a material disruption to the Group's business operations or a material impact on the financial position or financial performance of the Group. Due to the outbreak of COVID-19, we have taken various measures, including but not limited to reducing face-to-face meetings by means of telephone or video conferences; avoiding unnecessary travels and trips for interviews as well as providing face masks, hand sanitizers and other sanitation supplies.

## **FUTURE DEVELOPMENT**

The Company is committed to becoming China's leading and world-class biopharmaceutical company to discover, develop, manufacture and commercialize first-in-class and best-in-class biopharmaceuticals to create clinical value, maximize shareholder benefits and provide patients with high-quality drugs to address unmet significant clinical needs worldwide in the major therapeutic areas of autoimmune diseases, oncology and ophthalmology.

Looking forward to 2021, we will endeavor to get the listing and commercialization of telitacicept and disitamab vedotin in China. At the same time, we will accelerate the application and clinical trials for the expansion of the indications of these two products. We expect to apply for the NDA for disitamab vedotin in the treatment of UC indications to the NMPA in China in the third quarter. In addition, we will advance the clinical trials of several other autoimmune disease indications of telitacicept as soon as possible. On the international front, we will step up our efforts for expansion in the international market, especially in the United States and Europe, and quickly advance and initiate clinical studies of our two Core Products in the international market. We expect to start a phase III clinical trial of telitacicept for the treatment of SLE indications and a phase II clinical trial for the treatment of IgAN in the United States in the second half of this year. At the same time, we also plan to launch a phase II clinical trial of disitamab vedotin for the second-line treatment of HER2 over-expressing UC indications in the United States.

We will continue to expand our sales team in China, formulate clear and aspiring business strategies, and prepare for commercialization. With our understanding of the Chinese market environment and the rich experience of our sales team personnel, we will formulate stable market access strategies to meet market demand. In addition, we expect to complete the capacity expansion this year, with the production capacity of the manufacturing facilities to increase from 12,000L disposable bag bioreactors to 36,000L.

## **FINANCIAL REVIEW**

### **Revenue**

For the years ended December 31, 2019 and 2020, the Group has not commercialized any products and therefore has not recorded any revenue.

### **Other Income and Gains**

The Group's other income and gains primarily consist of government grants, rental income, sales of materials, gain on disposal of equipment, and interest income.

Our other income and gains increased from RMB38.5 million in 2019 to RMB75.4 million in 2020, primarily due to an increase in government grants realised of RMB36.8 million compared with the corresponding period last year.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses mainly consist of employee benefits expenses and market development expenses.

Our selling and distribution expenses increased from RMB0.6 million in 2019 to RMB24.2 million in 2020, primarily as we established our sales and marketing department and initiated market development activities in preparation for commercialization of our products in July 2019.

### **Administrative Expenses**

The Group's administrative expenses mainly consist of employee benefits expenses, consulting service expenses, general office expenses, depreciation and amortization expenses, listing expenses and other administrative expenses.

Our administrative expenses increased from RMB68.4 million in 2019 to RMB217.6 million in 2020, primarily due to (i) an increase in employee benefits expenses of RMB66.8 million mainly due to an increase in the number of employees, and an increase in their salaries and share-based compensation; (ii) an increase in listing expenses of RMB60.6 million; (iii) an increase in consulting service expenses of RMB8.2 million mainly due to an increase in commercial consulting fees incurred in relation to the overseas clinical trial development as well as overseas sales and marketing plan for our drug candidates, an increase in foreign patent agency service expenses and an increase in recruitment expenses; (iv) an increase in depreciation and amortization expenses, general office expenses and other expenses of RMB11.9 million mainly due to an increase in general office expenses resulting from the increase in the number of our administrative employees, and the increases in hospitality expenses and publicity expenses; and (v) an increase in auditor's remuneration of RMB1.7 million.

### **Research and Development Expenses**

The Group's research and development expenses consist of employee benefits expenses, expenses for procuring raw materials used in the research and development, clinical trial expenses for our drug candidates, testing expenses for pre-clinical programs, depreciation and amortization expenses, utilities used for research and development activities, and other research and development expenses. Our research and development expenses increased from RMB352.1 million in 2019 to RMB465.8 million in 2020. The following table sets forth the components of our research and development expenses for the years indicated.

	Year ended December 31,			
	2020		2019	
	RMB'000	%	RMB'000	%
Employee benefits expenses	122,982	26.4	109,189	31.0
Raw material expenses	108,787	23.4	71,570	20.3
Clinical trial expenses	67,570	14.5	36,352	10.3
Testing expenses	40,300	8.7	38,258	10.9
Depreciation and amortization expenses	62,977	13.5	36,179	10.3
Utilities	20,232	4.3	16,393	4.7
Others	42,973	9.2	44,125	12.5
<b>Total</b>	<b>465,821</b>	<b>100.0</b>	<b>352,066</b>	<b>100.0</b>

- (i) Employee benefits expenses increased by RMB13.8 million, mainly due to an increase in the number of research and development employees and an increase in staff salary levels;
- (ii) Raw material expenses increased by RMB37.2 million, mainly due to the continuous development of drug candidates;
- (iii) Clinical trial expenses increased by RMB31.2 million, mainly due to the continuous clinical development of drug candidates;
- (iv) Testing expenses increased by RMB2 million, mainly due to the continuous development of drug candidates;
- (v) Depreciation and amortization expenses increased by RMB26.8 million, mainly due to an increase in depreciation of right-of-use assets as a result of new leases of buildings;
- (vi) Utilities increased by RMB3.8 million, mainly due to an increase in utilities for research and development purpose;
- (vii) Other expenses decreased by RMB1.2 million.

### Net Impairment Losses on Financial Assets

The Group's net impairment losses on financial assets mainly consist of the impairment losses in relation to other receivables. We reversed the net impairment losses on financial assets of RMB0.1 million in 2019, while we recorded an increase of RMB0.05 million in 2020.

### Other Expenses

The Group's other expenses primarily consist of (i) rental related expenses relating to the leases of our facilities to related parties; (ii) expenses incurred for sales of materials to our related parties; (iii) losses from changes in foreign currency exchange rates; and (iv) other expenses incurred for our provision of testing services to related parties and donation to a charity organization. Our other expenses increased from RMB4.0 million in 2019 to RMB36.3 million in 2020, mainly due to an increase in losses from changes in foreign currency exchange rates of RMB32.3 million.

## **Finance Costs**

The Group's finance costs mainly consist of interest on borrowings from a related party, interest on bank borrowings and interest on lease liabilities. Our financial costs decreased from RMB43.8 million in 2019 to RMB29.2 million in 2020, mainly due to a decrease in interest expenses of RMB17.7 million as a result of the repayment of borrowings to a related party this year and a reduction of RMB3.0 million by the interest on new lease liabilities this year.

## **Income Tax Expenses**

For the years ended December 31, 2019 and 2020, the Group's income tax expenses were nil.

## **Loss for the Year**

Based on the factors described above, the Group's loss increased from RMB430.3 million in 2019 to RMB697.8 million in 2020.

## **Liquidity and Financial Resources**

We have incurred net losses and negative cash flows from operations since inception. Our primary use of cash is to fund research and development expenses. As of December 31, 2020, our net cash used in operating activities was negative RMB660.1 million. As of December 31, 2020, we had cash and cash equivalent of RMB2,768.5 million, an increase of RMB2,734.0 million from RMB34.5 million as of December 31, 2019, primarily due to the proceeds raised from our Listing.

On November 9, 2020, the Company issued 76,537,000 new H Shares at HK\$52.10 per H Share through the initial public offering on the Stock Exchange, raising net proceeds of approximately HK\$3.86 billion after deduction of listing expenses.

On December 7, 2020, as part of the Global Offering, the over-allotment option was exercised in full and the Company issued a total of 11,480,500 H Shares at HK\$52.10 per H Share, raising net proceeds of approximately HK\$580 million after deduction of listing expenses.

After deduction of listing expenses, the total net proceeds from the Global Offering (including the exercise of the over-allotment option) was approximately HK\$4.44 billion.

## **Loans and Gearing Ratio**

As of December 31, 2020, the Group's interest-bearing bank and other borrowings amounted to RMB108.1 million in total with an annual interest rate of 4.12% and will expire within one year.

The gearing ratio is calculated using the Group's liabilities divided by its assets. As of December 31, 2020, the Group's gearing ratio was 12.7% (December 31, 2019: 133.7%).

## **Significant Investments, Material Acquisitions and Disposal**

The Group did not have any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2020.

## **Capital Commitments**

For the years ended December 31, 2019 and 2020, the Group had capital commitments contracted for but not yet provided of RMB653.8 million and RMB1,035.4 million, respectively, primarily in connection with (i) contracts entered into with contractors for the construction of our new manufacturing facilities; and (ii) contracts entered into with suppliers for the purchase of equipment.

## **Contingent Liabilities**

As at December 31, 2019 and 2020, the Group did not have any contingent liabilities.

## **Foreign Exchange Exposure**

Our financial statements are expressed in RMB, but certain of our cash and cash equivalents, time deposits, other receivables, debt instruments at fair value through other comprehensive income, other investments classified as financial assets measured at fair value through profit or loss and trade and other payables are denominated in foreign currencies, and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **Employees and Remuneration**

As of December 31, 2020, the Group had a total of 1,366 employees. The total remuneration cost for 2020 was RMB235.5 million, as compared to RMB138.5 million for 2019, primarily due to an increase in the number of employees and an increase in their salaries.

To maintain the quality, knowledge and skill levels of our workforce, the Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. The Group also provides trainings programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

We provide various incentives and benefits to our employees. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. We have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in accordance with applicable PRC laws.

## **OTHER INFORMATION**

### ***Purchase, Sale or Redemption of the Listed Securities of the Company***

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to December 31, 2020.

### ***Compliance with the CG Code***

The Company has adopted the principles and code provisions as set out in the CG Code, and has complied with all applicable code provisions during the period from the Listing Date to December 31, 2020.

### ***Compliance with the Model Code for Securities Transactions***

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, each of them has confirmed that he/she has complied with the Model Code from the Listing Date to December 31, 2020. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

### **Review of Financial Statements**

The Audit Committee has reviewed together with the management and external auditors the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2020. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

### **Scope of Work of Ernst & Young**

The financial information in respect of the preliminary results announcement of the Group for the year ended December 31, 2020 has been reviewed and agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary results announcement.

### **Final Dividend**

The Board does not recommend the payment of a final dividend for the year ended December 31, 2020.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	<i>Notes</i>	<b>2020</b> <b>RMB'000</b>	2019 <i>RMB'000</i>
<b>REVENUE</b>		–	–
Cost of sales		–	–
Gross profit		–	–
Other income and gains		<b>75,400</b>	38,481
Selling and distribution expenses		<b>(24,180)</b>	(621)
Administrative expenses		<b>(217,623)</b>	(68,434)
Research and development costs		<b>(465,821)</b>	(352,066)
Impairment losses on financial assets, net		<b>(47)</b>	134
Other expenses		<b>(36,324)</b>	(3,985)
Finance costs		<b>(29,226)</b>	(43,789)
		<hr/>	<hr/>
<b>LOSS BEFORE TAX</b>		<b>(697,821)</b>	(430,280)
Income tax expense	4	<hr/> – <hr/>	<hr/> – <hr/>
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR</b>		<b>(697,821)</b>	(430,280)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the parent		<b>(697,821)</b>	(430,280)
		<hr/> <hr/>	<hr/> <hr/>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)	5	<b>(1.45)</b>	(1.24)
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	<i>Notes</i>	<b>2020</b> <b>RMB'000</b>	2019 <b>RMB'000</b>
<b>LOSS FOR THE YEAR</b>		<b><u>(697,821)</u></b>	<b><u>(430,280)</u></b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>(314)</u>	<u>(62)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		<u>732</u>	<u>1,425</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u><b>418</b></u>	<u>1,363</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(697,403)</u></b>	<b><u>(428,917)</u></b>
Attributable to:			
Owners of the parent		<b><u>(697,403)</u></b>	<b><u>(428,917)</u></b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***31 December 2020*

	<i>Notes</i>	<b>2020</b> <b>RMB'000</b>	2019 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>802,568</b>	459,713
Right-of-use assets		<b>137,939</b>	11,007
Other intangible assets		<b>5,095</b>	2,133
Equity investments designated at fair value through other comprehensive income		<b>12,907</b>	11,448
Pledged deposits		<b>577</b>	–
Other non-current assets		<b>181,264</b>	67,436
		<u><b>1,140,350</b></u>	<u>551,737</u>
Total non-current assets			
<b>CURRENT ASSETS</b>			
Inventories		<b>66,204</b>	31,247
Bills receivable		–	1,058
Prepayments, other receivables and other assets		<b>102,404</b>	29,858
Pledged deposits		<b>40,212</b>	40,866
Cash and cash equivalents		<b>2,768,521</b>	34,545
		<u><b>2,977,341</b></u>	<u>137,574</u>
Total current assets			
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	7	<b>62,646</b>	67,697
Other payables and accruals		<b>211,320</b>	720,602
Interest-bearing bank borrowings		<b>108,124</b>	60,000
Lease liabilities		<b>42,990</b>	1,602
Deferred income		<b>6,208</b>	7,052
		<u><b>431,288</b></u>	<u>856,953</u>
Total current liabilities			

	<i>Notes</i>	<b>2020</b>	2019
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b><u>2,546,053</u></b>	<u>(719,379)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>3,686,403</u></b>	<u>(167,642)</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		46,578	3,762
Deferred income tax liabilities		727	–
Deferred income		<u>44,477</u>	<u>60,565</u>
Total non-current liabilities		<u>91,782</u>	<u>64,327</u>
Net assets/(liabilities)		<b><u>3,594,621</u></b>	<b><u>(231,969)</u></b>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital		489,837	–
Paid-in capital		–	168,654
Reserves		<u>3,104,784</u>	<u>(400,623)</u>
Total equity/(deficit)		<b><u>3,594,621</u></b>	<b><u>(231,969)</u></b>

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

RemeGen Co., Ltd. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 4 July 2008 as a limited liability company. On 12 May 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at 58 Middle Beijing Road, Yantai Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC.

During the year, the Company and its subsidiaries (the “Group”) were principally engaged in the research and development of biological products.

#### Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place and date of registration/ incorporation and place of operations	Nominal value of issued ordinary/ registered paid-in capital	Percentage of equity attributable to the Company Direct	Principal activities
RemeGen Biosciences, Inc. (previously known as “RC Biotechnologies, Inc.”)	Delaware, United States of America (“USA”) 18 April 2011	1,500 common shares	100%	Research and development, registration and business development
Ruimeijing (Beijing) Pharmaceutical Technology Co., Ltd. (瑞美京(北京)醫藥科技 有限公司)*	Beijing, PRC 14 August 2019	RMB1,000,000	100%	Research and development
RemeGen Hong Kong Limited	Hong Kong 26 September 2019	United States dollars (“USD”) 4,000,000	100%	Research and development and business development
RemeGen Medical Research (Shanghai) Co., Ltd. (榮昌生物醫藥研究(上海) 有限公司)*	Shanghai, PRC 20 May 2020	RMB8,000,000	100%	Research and development
RemeGen Australia Pty Ltd	South Australia 3 March 2021	100 ordinary shares	100%	Research and development

\* The English name of this subsidiary represented the best efforts made by the management of the Company to translate the Chinese name as it does not have an official English name registered in the PRC.

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and other financial assets which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

The Group incurred losses continually during the year due to the pre-revenue stage of its drug research and development businesses. The Group has been taking various measures to obtain sufficient financing for the Group to operate as a going concern, which included the initial listing and over-allotment of its shares on the Stock Exchange. In addition, the Group obtained new banking facilities of RMB630 million in June 2020, which replaced the then unused banking facilities of RMB143 million. As at 31 December 2020, the unused banking facilities of the Group were RMB520,000,000, and the Group had current assets exceeded its current liabilities by RMB2,546,053,000.

In light of the above measures of the Group and after taking into account the Group’s operating cash flow needs and capital expenditure spending in the foreseeable future, the Directors are of the opinion that the Group shall be able to meet with its liabilities and expenses as and when they fall due in the foreseeable future. Hence the preparation of financial statements under the going concern basis by the Directors is appropriate.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Pursuant to the Accountants' Report of the Group in connection with the listing of the shares of the Company on the Stock Exchange, all IFRSs in issue as at 30 June 2020 and effective for annual periods beginning 1 January 2020, together with the relevant transitional provisions, had been early adopted by the Group in the preparation of the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2018 and 2019 and the six months ended 30 June 2020, and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2018 and 2019 and 30 June 2020. Thus, the adoption of the below amendments has had no impact on the Group's financial statements for the year ended 31 December 2020.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i> <sup>2</sup>
Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i> <sup>3</sup>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> <sup>3</sup>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> <sup>3</sup>
<i>Annual Improvements to IFRSs 2018-2020</i>	Amendments to IFRS 1, IFRS 9, IAS 41 and Illustrative Examples accompanying IFRS16 <sup>3</sup>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <sup>4</sup>
Amendments to IAS 1	<i>Disclosure of Accounting Policies</i> <sup>4</sup>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i> <sup>4</sup>
IFRS 17	<i>Insurance Contracts</i> <sup>5</sup>
Amendments to IFRS 17	<i>Insurance Contracts</i> <sup>5</sup>

<sup>1</sup> No mandatory effective date yet determined but available for adoption

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>5</sup> As a consequence of the amendments to IFRS 17 issued in June 2020, the effective date of IFRS 17 was deferred to 1 January 2023, and IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting (Conceptual Framework)* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, IAS 41, and Illustrative Examples accompanying IFRS 16. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### 3. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical research, biopharmaceutical service, and biopharmaceutical production, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

#### Geographical information

##### *Non-current assets*

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Mainland China	1,122,249	540,020
USA	5,194	269
	<u>1,127,443</u>	<u>540,289</u>

The non-current asset information above is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income.

#### 4. INCOME TAX

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

The subsidiary incorporated in the USA is subject to America federal and California state income tax. America federal income tax was provided at the rate of 21% during the year, and California state income tax was provided at the rate of 8.84% during the year on the estimated assessable profits arising in the USA.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the year.

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Current		
Charge for the year	-	-
Deferred	-	-
	<u>          </u>	<u>          </u>
Total tax charge for the year	<u>          </u>	<u>          </u>

#### 5. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year, and assuming the capitalisation issue had been completed on 1 January 2019, and assuming the ordinary shares in issue before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:2.2 as upon transformation into a joint stock company in May 2020.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2020 in respect of a dilution as the impact of the share awards had an anti-dilutive effect on the basic loss per share amounts presented.

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation:	<u>(697,821)</u>	<u>(430,280)</u>
	<b>Number of shares</b>	
	2020	2019
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>482,141,630</u>	<u>347,521,728</u>



In May 2020, the Company was converted into a joint stock company and total of 401,819,202 ordinary shares with par value of RMB1 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on 11 May 2020.

In November 2020, the Company issued its first stock on the Hong Kong Stock Exchange and issued 76,537,000 ordinary shares at 52.10 in Hong Kong dollars per share. The raised funds were equivalent to RMB3,400,606,000. After deducting the issuance costs, the actual net funds raised were RMB3,284,244,000, of which RMB76,537,000 was credited to the share capital and RMB3,207,707,000 was credited to the capital reserve.

In December 2020, the Company exercised the over-allotment right and over-allotted 11,480,500 shares at 52.10 in Hong Kong dollars per share. The raised funds were equivalent to RMB504,406,000. After deducting the issuance expenses, the actual net funds raised were RMB487,302,000, of which RMB11,480,500 was credited to the share capital and RMB475,821,500 was credited to the capital reserve.

## 6. DIVIDENDS

No dividend has been declared and paid by the Company during the year (2019: nil).

## 7. TRADE AND BILLS PAYABLES

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Within 3 months	56,498	46,209
3 to 6 months	6,113	21,417
6 months to 1 year	14	54
Over 1 year	21	17
	<u>62,646</u>	<u>67,697</u>

Included in the trade and bills payables are trade payables of RMB795,000 (31 December 2019: RMB10,507,000) due to the Group's related parties as at 31 December 2020, which are repayable within 180 days and represent credit terms similar to those offered by the related parties to their major customers.

Other than trade payables due to the Group's related parties, the remaining trade and bills payables are normally settled on terms of one to three months.

## 8. EVENTS AFTER THE REPORTING PERIOD

### The impact of COVID-19

There has been an outbreak of COVID-19 around the world.

The management of the Company expected that clinical trials in and outside of Mainland China will not be significantly affected by the outbreak of COVID-19. The directors believe that, based on the information available as of the date of this report, the outbreak of COVID-19 would not result in a material disruption to the Group's business operations or a material impact on the financial position or financial performance of the Group.

It is uncertain when and whether COVID-19 could be controlled globally. The above analysis is made by the management of the Company based on the currently available information concerning COVID-19. The management of the Company cannot assure that the outbreak of COVID-19 will not further escalate or have a material adverse effect on the Group's results of operations.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.remegen.com](http://www.remegen.com).

The annual report for the year ended December 31, 2020 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

**Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the Core Products will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares of the Company.

### DEFINITIONS

“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“Company”	RemeGen Co., Ltd.* (榮昌生物製藥(煙台)股份有限公司)
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Core Product(s)”	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, refers to our core products including telitacicept (RC18), disitamab vedotin (RC48) and RC28
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded in any stock exchange
“FISH”	fluorescence in situ hybridization, a type of in situ hybridization (ISH) test that detects the genetic material in human cells, including specific genes or portions of genes. In the case of HER2 FISH test, fluorescent labels are used to attach to the hybrid of HER2-genes and the probes and return a score of either positive (+) or negative (-)
“Global Offering”	the offer of H Shares for subscription as described in the Prospectus
“Group”, “we”, “us” or “our”	the Company and its subsidiaries

“HER2”	human epidermal growth factor receptor 2
“H Shares”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IHC”	immunohistochemistry, a test that uses a chemical dye to stain and measure specific proteins. IHC staining for HER2 status is the most widely used initial approach for evaluating HER2 as a predictor of response to anti-HER2 therapy. The HER2 IHC test gives a score of 0 to 3+ that measures the amount of HER2 proteins on the surface of cells in a tissue sample
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange on the Listing Date
“Listing Date”	November 9, 2020, being the date on which the H Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended or supplemented from time to time)
“Main Board”	the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
“PD-1”	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages
“PD-L1”	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that binds to its receptor, PD-1, on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
“Prospectus”	the prospectus issued by the Company dated October 28, 2020
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares, Unlisted Foreign Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Foreign Shares”	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each and are held by foreign investors and are not listed on any stock exchange

By order of the Board  
**RemeGen Co., Ltd.\***  
**Mr. Wang Weidong**  
*Chairman and executive director*

Yantai, The People’s Republic of China  
March 26, 2021

*As at the date of this announcement, the Board of the Company comprises Mr. Wang Weidong, Dr. Fang Jianmin, Dr. He Ruyi and Mr. Lin Jian as the executive directors, Dr. Wang Liqiang and Dr. Su Xiaodi as the non-executive directors, and Ms. Yu Shanshan, Mr. Hao Xianjing and Dr. Lorne Alan Babiuk as the independent non-executive directors.*

\* *For identification purposes only*