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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)

2022 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the “RemeGen Co., Ltd. 2022 First Quarterly Report” published by RemeGen Co., Ltd.* (the “**Company**”) on the website of the Shanghai Stock Exchange, for reference purpose only. The following is a translation of the 2022 First Quarterly Report of the Company solely for the purpose of providing information. Should there be any discrepancies, the Chinese version will prevail.

The board of directors of the Company (the “**Board**”) reminds shareholders and potential investors of the Company that the information and financial data set out in this announcement are unaudited, and have not been reviewed by the audit committee and the independent auditors of the Company.

The unaudited financial data in the 2022 First Quarterly Report set out in this announcement is prepared in accordance with the accounting principles of the People's Republic of China instead of the International Financial Reporting Standards, and are prepared pursuant to the requirements of the STAR Market of the Shanghai Stock Exchange only.

Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

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

Yantai, PRC
April 27, 2022

As at the date of this announcement, the Board 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. Ma Lan as the independent non-executive directors.

* For identification purpose only

Stock Code: 688331

Ticker Symbol: RemeGen

RemeGen Co., Ltd.

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The board of directors and its individual members affirm that this announcement contains no false or misleading statements or material omissions and that they are jointly and severally responsible for the truthfulness, accuracy, and completeness of its contents.

IMPORTANT NOTICE

The board of directors, board of supervisors, directors, supervisors and senior management of the Company undertake that the content of the quarterly report is true, accurate, complete and without any false records, misleading statements or material omissions and are severally and jointly liable therefor.

The Company's legal representative, person in charge of accounting function and person in charge of the Accounting Department (chief accounting officer) warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.

Whether the first quarter financial statements have been audited:

Yes No

1. KEY FINANCIAL INFORMATION

(1) Key accounting data and financial indicators

Unit: RMB Currency: Renminbi

Item	The reporting period	Increase/decrease compared with the
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			same period of the previous year (%)
Operating revenue	150,135,067.62		3,406.56%
Net profit attributable to shareholders of the listed company	-286,830,516.15		55.48%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-290,060,801.16		50.85%
Net cash flows from operating activities	-350,478,067.32		29.06%
Basic earnings per share (RMB/share)	-0.59		56.91%
Diluted earnings per share (RMB/share)	-0.59		56.91%
Weighted average return on equity (%)	-8.68%		Decreased by 3.42 percentage point
Total R&D spending	218,173,558.62		60.29%
R&D as a percentage of operating revenue (%)	145.32%		Decreased by 3,033.79 percentage point
	As at the end of the reporting period	As at the end of the previous year	Increase/decrease compared with the end of the previous year (%)
Total assets	6,345,143,075.38	4,159,208,876.60	52.56%
Owners' equity attributable to shareholders of the listed company	5,668,251,395.97	3,446,421,451.58	64.47%

(2) Non-recurring items and amounts

Unit: RMB Currency: Renminbi

Item	Current amount	Description
Profits or losses on disposal of non-current assets	-99,125.92	Net loss on disposal of non-current assets
Tax returns and abatement that are examined and approved beyond		

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authority, or without official approval documents or occasional		
Government grants recognised as current profits and losses, except those that are closely related with the normal course of business operations of the Company and gained constantly at a fixed amount or quantity according to certain standard based on state policies	7,390,154.09	Government grants recognised as other income
Capital occupation fees charged on non-financial enterprises and counted into current profits and losses		
Gains arising from the differences between the investment cost and the portion of fair value of the investee's net identifiable assets in subsidiaries, associates and joint ventures		
Gains or losses from non-monetary asset exchange		
Gains or losses from entrusting the investments or management of asset		
Asset impairment provisions due to force majeure factors such as natural calamities		
Gains or losses from debt restructuring		
Restructuring costs, such as costs of employee relocation and integration cost		
Profit or loss on transactions made at unfair transaction price in excess of their fair value		
Current net profit or loss of subsidiaries from the combination of businesses under common control from the beginning of the period to the date of the combination		
Profits and losses arising from contingencies irrelevant to the Company's normal course of business operations		
Profits and losses from changes in		

fair value arising from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities, and investment income arising from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment other than effective hedging business related to the Company's normal course of business operations		
Reversal of impairment provision of accounts receivables and contract assets subject to separate impairment test		
Gains and losses from external entrusted loans		
Gains and losses from changes in fair value of investment properties subsequently measured in the fair value model		
Impact on the current profits and losses by one-off adjustment according to laws and regulations related to tax and accounting		
Trustee fee income from entrusted operations		
Other non-operating income and expenses other than the above items	-4,060,743.16	Donation expenses
Other gains and losses classified to non-recurring profits or losses		
Less: Impact on income tax		
Impact on non-controlling interests (after tax)		
Total	3,230,285.01	

Explanation on defining the non-recurring items that are set out in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Gains and Losses as recurring items

Applicable Non-applicable

(3) Changes in key accounting data and financial indicators and reasons for changes

√ Applicable □ Non-applicable

Item	Percentage change (%)	Primary reason
Operating revenue	3,406.56%	Operating revenue increased due to the launch of telitacicept and disitamab vedotin for injection
Operating costs	7,585.76%	Costs of sales and royalty costs increased due to the launch of telitacicept and disitamab vedotin for injection
Taxes and surcharges	123.08%	The antibody building was classified a fixed asset, leading to a rise in property tax.
Selling expenses	271.62%	Selling expenses rose with increased marketing activities and salespersons due to the launch of telitacicept and disitamab vedotin for injection
R&D expenses	60.29%	This is mainly due to the expansion of R&D pipelines and an increase in the clinical trials and testing resulting from continuous clinical R&D of drugs; and a growth in labour costs because of an increase in R&D staff and salary level; a rise in depreciation costs resulting from the classification of the antibody building as a fixed asset and the purchase of R&D equipment.
Finance costs	-36.01%	Exchange losses increased, and interest income declined.
Non-operating expenses	8,307.24%	This is mainly due to the increase in donations such as drug donations and patient assistance programmes

2. SHAREHOLDER INFORMATION

(1) Total number of common shareholders, number of preferred shareholders with restored voting rights, and holdings of the top ten shareholders

Unit: share

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Total number of common shareholders as at the end of the reporting period	25,497	Total number of preferred shareholders with restored voting rights as at the end of the reporting period (if any)	0				
Holdings of the top ten shareholders							
Name of shareholder	Nature of shareholder	Number of shares held	Shareholding ratio (%)	Number of restricted shares held	Number of restricted shares including shares re-lent	Shares pledged, marked and frozen	
						Share status	Quantity
HKSCC Nominees Limited	Overseas legal person	156,992,705	28.85	0	0	Nil	0
Yantai Rongda Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	102,381,891	18.81	102,381,891	102,381,891	Nil	0
I-NOVA Limited	Overseas legal person	39,600,000	7.28	13,600,000	13,600,000	Nil	0
Fang Jianmin	Overseas natural person	26,218,320	4.82	26,218,320	26,218,320	Nil	0
SDIC (Shanghai) Venture Capital Management Co., Ltd. - Fund for the transformation of National Science and Technology Major Project	Domestic non-state-owned legal person	24,732,556	4.54	24,732,556	24,732,556	Nil	0
PAG Growth Prosperity Holding I (HK) Limited	Overseas legal person	21,136,602	3.88	15,076,145	15,076,145	Nil	0
Yantai Rongqian Enterprise Management Center (Limited Partnership)	Domestic non-state-owned legal person	18,507,388	3.40	18,507,388	18,507,388	Nil	0

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Yantai Rongyi Enterprise Management Center (Limited Partnership)	Domestic non-state-owned legal person	16,630,337	3.06	16,630,337	16,630,337	Nil	0
Wholly Sunbeam Limited	Overseas legal person	15,693,711	2.88	7,846,855	7,846,855	Nil	0
Shenzhen Capital Group Co., Ltd.	State-owned legal person	12,813,478	2.35	12,813,478	12,813,478	Nil	0

Holdings of the top ten unrestricted shareholders

Name of shareholder	Number of unrestricted outstanding shares held	Share type and quantity	
		Share type	Quantity
HKSCC Nominees Limited	156,992,705	Overseas listed foreign share	182,992,705
I-NOVA Limited	26,000,000	Overseas listed foreign share	26,000,000
National Social Security Fund 109 portfolio	1,765,543	RMB-denominated common shares	1,765,543
Huang Changfu	1,082,645	RMB-denominated common shares	1,082,645
Xu Hongmei	950,290	RMB-denominated common shares	950,290
Bank of China Limited - E Fund Healthcare Sector Hybrid Fund	940,171	RMB-denominated common shares	940,171
Liu Li	683,520	RMB-denominated common shares	683,520
Agricultural Bank of China Limited - Fullgoal Growth Navigation Hybrid Fund	526,478	RMB-denominated common shares	526,478
Guo Yongtao	513,203	RMB-denominated common shares	513,203
Huatai United Securities Co., Ltd.	478,124	RMB-denominated common shares	478,124

Description of the connected relationship or concerted actions among the above shareholders	Nil
Description of top ten shareholders' and top ten unrestricted shareholders' participation in margin trading and re-lending business (if any)	Liu Li holds shares of the Company through a margin account

Remarks:

- As at the end of this report, the Company has issued 189,581,239 shares in Hong Kong, accounting for approximately 34.83% of its total share capital, and 354,681,764 shares in SSE Star Market, accounting for approximately 65.17% of its total share capital.
- The Company's register of members in Hong Kong comprises HKSCC Nominees Limited and other registered shareholders. The shares held by HKSCC Nominees Limited on behalf of non-registered shareholders account for approximately 96.5247% of the Company's H shares, and the shares held by other registered shareholders account for approximately 3.4753% of its H shares.
- According to the Securities and Futures Ordinance, the Company removed the 26,000,000 H shares held by I-NOVA from the number of shares held by HKSCC Nominees Limited.

3. OTHER REMINDERS

Other important information about the operation of the Company during the reporting period to which investors should pay attention

Applicable Non-applicable

4. Quarterly Financial Statements

1. Types of audit opinions

Applicable Non-applicable

2. Financial statements

Consolidated balance sheet

31 March 2022

Prepared by: RemeGen Co., Ltd.

Unit: RMB Currency: Renminbi Audit type: Unaudited

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Item	31 March 2022	31 December 2021
Current assets:		
Cash and bank balances	3,819,310,806.98	1,835,498,496.42
Clearing settlement funds		
Loans to banks and other financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	22,219,722.36	2,311,600.59
Receivables financing	28,141,629.49	4,737,728.20
Prepayments	174,994,330.90	124,095,384.56
Premiums receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	10,397,799.38	7,460,829.18
Including: Interests receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	307,198,752.02	280,314,179.90
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	27,078,052.51	45,533,779.99
Total current assets	4,389,341,093.64	2,299,951,998.84
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	12,067,000.00	12,067,000.00
Other non-current financial assets		
Investment properties		
Fixed assets	1,012,985,524.75	967,005,341.89
Construction in progress	641,673,675.42	610,682,092.94

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Bearer biological assets		
Oil and gas assets		
Right-of-use assets	94,485,911.48	109,600,617.19
Intangible assets	52,901,990.01	52,399,058.53
R&D expenses		
Goodwill		
Long-term prepaid expenses	1,873,893.13	2,119,783.28
Deferred tax assets		
Other non-current assets	139,813,986.95	105,382,983.93
Total non-current assets	1,955,801,981.74	1,859,256,877.76
Total assets	6,345,143,075.38	4,159,208,876.60
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Loans from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	118,954,542.04	122,737,611.14
Accounts payable	70,142,365.11	36,521,319.13
Receipts in advance	3,269.70	
Contract liabilities	12,961,564.89	27,145,918.75
Financial assets sold under repurchase agreements		
Accepting money deposits and deposit taking of interbank		
Funds from securities trading agency		
Funds from underwriting securities agency		
Payroll payable	78,772,318.53	80,485,721.71
Taxes payable	4,980,302.02	6,126,024.84
Other payables	252,056,390.03	279,373,516.72
Including: Interests payable		
Dividends payable		
Fees and commissions payable		
Reinsured accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	42,362,091.74	52,453,633.38

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Other current liabilities	6,447,428.27	7,117,057.70
Total current liabilities	586,680,272.33	611,960,803.37
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	46,518,849.22	50,323,871.81
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income	43,382,507.86	50,192,699.84
Deferred tax liabilities	310,050.00	310,050.00
Other non-current liabilities		
Total non-current liabilities	90,211,407.08	100,826,621.65
Total liabilities	676,891,679.41	712,787,425.02
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	544,263,003.00	489,836,702.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	6,198,339,552.06	3,743,320,422.56
Less: treasury shares	449,170,386.87	449,170,386.87
Other comprehensive income	5,100,527.73	5,885,497.69
Special reserve		
Surplus reserve		
General reserve		
Retained earnings	-630,281,299.95	-343,450,783.80
Total equity attributable to owners (or shareholders) of the parent company	5,668,251,395.97	3,446,421,451.58
Non-controlling interests		
Total owners' equity (or shareholders' equity)	5,668,251,395.97	3,446,421,451.58
Total liabilities and owners' equity (or shareholders' equity)	6,345,143,075.38	4,159,208,876.60

The Company's legal representative: Wang Weidong

Person in charge of accounting function: Li Jia

Person in charge of the Accounting Department: Wei Jianliang

Consolidated Statement of Income

January-March 2022

Prepared by: RemeGen Co., Ltd.

Unit: RMB Currency: Renminbi Audit type: Unaudited

Item	Q1 2022	Q1 2021
I. Total operating revenue	150,135,067.62	4,281,552.17
Including: Operating revenue	150,135,067.62	4,281,552.17
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	438,730,733.58	195,520,624.96
Including: Operating costs	97,508,877.46	1,268,695.41
Interest expenses		
Fee and commission expenses		
Surrenders		
Net payments for insurance claims		
Net provision for deposit for insurance contracts		
Policyholder expenses		
Reinsurance premium expense		
Taxes and surcharges	1,552,559.26	695,959.48
Selling expenses	80,784,391.23	21,738,574.92
Administrative expenses	49,055,924.93	48,741,930.31
R&D expenses	218,173,558.62	136,115,384.97
Finance costs	-8,344,577.92	-13,039,920.13
Including: Interest expenses	1,200,072.69	1,060,784.49
Interest income	10,295,113.97	12,045,944.17
Add: Other income	7,390,154.09	7,807,044.45
Investment income (loss denoted by “-”)		
Including: Share of profit of associates and joint ventures		
Income from derecognition of financial assets measured at amortised cost		
Exchange gain (loss denoted by “-”)		
Net exposure hedging income (loss denoted by “-”)		
Gain from changes in fair value (loss denoted by “-”)		
Credit impairment loss (loss denoted by “-”)	-1,465,135.20	-1,039,086.60
Asset impairment loss (loss denoted		

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by “-”)		
Gain on disposal of assets (loss denoted by “-”)		
III. Operating profit (loss denoted by “-”)	-282,670,647.07	-184,471,114.94
Add: Non-operating income	3,339.90	37,923.49
Less: Non-operating expenses	4,163,208.98	49,519.34
IV. Total profit (total loss denoted by “-”)	-286,830,516.15	-184,482,710.79
Less: Income tax expenses		
V. Net profit (net loss denoted by “-”)	-286,830,516.15	-184,482,710.79
(I) By continuity of operations		
1. Net profit from continuing operations (net loss denoted by “-”)	-286,830,516.15	-184,482,710.79
2. Net profit from discontinued operations (net loss denoted by “-”)		
(II) By attribution of ownership		
1. Net profit attributable to shareholders of the parent company (net loss denoted by “-”)	-286,830,516.15	-184,482,710.79
2. Profit or loss attributable to non-controlling interests (net loss denoted by “-”)		
VI. Other comprehensive income, net of tax	-784,969.96	-8,783.56
(I) Other comprehensive income attributable to owners of the parent company, net of tax	-784,969.96	-8,783.56
1. Other comprehensive income not to be reclassified to profit or loss		
(1) Changes in remeasurements of a defined benefit plan		
(2) Other comprehensive income not to be reclassified into profit or loss under equity method		
(3) Changes in fair value of other equity instruments investments		
(4) Changes in fair value attributable to the changes in credit risk		
2. Other comprehensive income to be reclassified to profit or loss	-784,969.96	-8,783.56
(1) Other comprehensive income to be reclassified to profit or loss under equity method		
(2) Changes in fair value of other debt investments		

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(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Translation differences of the financial statements in foreign currency	-784,969.96	-8,783.56
(7) Others		
(II) Other comprehensive income attributable to non-controlling interests, net of tax		
VII. Total comprehensive income	-287,615,486.11	-184,491,494.35
(I) Total comprehensive income attributable to owners of the parent company	-287,615,486.11	-184,491,494.35
(II) Total comprehensive income attributable to non-controlling interests		
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.59	-0.38
(II) Diluted earnings per share (RMB/share)	-0.59	-0.38

For business combinations under the same control in the current period, the net profit achieved by the parties consolidated prior to the consolidation was nil; the net profit achieved by the parties consolidated in the previous period was nil.

The Company's legal representative: Wang Weidong

Person in charge of accounting function: Li Jia

Person in charge of the Accounting Department: Wei Jianliang

Consolidated Statement of Cash Flows

January-March 2022

Prepared by: RemeGen Co., Ltd.

Unit: RMB Currency: Renminbi Audit type: Unaudited

Item	Q1 2022	Q1 2021
I. Cash flows from operating activities:		
Cash receipts from sales of goods and provision of services	66,339,681.46	3,640,506.00
Net increase in customer deposits and balances from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in funds borrowed from		

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other financial institutions		
Cash premiums received on original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from insurers		
Cash received from interests, fees and commissions		
Net increase in loans from banks and other financial institutions		
Net increase in funds for repurchase business		
Net cash received from securities trading agency		
Tax refund received	27,420,872.62	39,351,502.71
Cash received from other operating activities	21,920,000.48	14,698,642.38
Sub-total of cash inflows from operating activities	115,680,554.56	57,690,651.09
Cash paid for goods and services	91,643,319.10	1,746,998.98
Net increase in customer loans and advances		
Net increase in deposits with central bank and other financial institutions		
Cash for payment of claims under original insurance contracts		
Net increase in loans to banks and other financial institutions		
Cash to pay interests, fees and commissions		
Cash to pay policyholder expenses		
Cash paid to and on behalf of employees	165,509,262.09	96,477,463.70
Cash paid for taxes and levies	3,932,951.14	658,417.07
Cash paid for other operating activities	205,073,089.55	230,371,951.47
Sub-total of cash outflows from operating activities	466,158,621.88	329,254,831.22
Net cash flows from operating activities	-350,478,067.32	-271,564,180.13
II. Cash flows from investment activities:		

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Cash received from the disposal of investments		
Cash received from investment income		
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment activities		
Sub-total of cash inflows from investment activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	172,597,053.75	131,690,475.90
Cash paid for investments		
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid for other investment activities	10,476,541.00	51,893,263.03
Sub-total of cash outflows from investment activities	183,073,594.75	183,583,738.93
Net cash flows from investing activities	-183,073,594.75	-183,583,738.93
III. Cash flows from financing activities:		
Cash received from capital contributions	2,612,462,448.00	
Including: Cash contribution to subsidiaries from non-controlling shareholders' investment		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	2,612,462,448.00	
Cash paid for repayment of debts		108,000,000.00
Cash paid for distribution of dividends or profits or settlement of interest	581,521.24	1,164,337.35
Including: Dividends and profits paid		

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by subsidiaries to non-controlling shareholders		
Cash paid for other financing activities	98,132,199.90	11,191,376.44
Sub-total of cash outflows from financing activities	98,713,721.14	120,355,713.79
Net cash flows from financing activities	2,513,748,726.86	-120,355,713.79
IV. Effects of changes in exchange rate on cash and cash equivalents	-1,377,968.80	1,795,547.60
V. Net increase in cash and cash equivalents	1,978,819,095.99	-573,708,085.25
Add: Balance of cash and cash equivalents at the beginning of the period	1,756,821,120.31	2,768,521,368.89
VI. Balance of cash and cash equivalents at the end of the period	3,735,640,216.30	2,194,813,283.64

The Company's legal representative: Wang Weidong
 Person in charge of accounting function: Li Jia
 Person in charge of the Accounting Department: Wei Jianliang

Adjustment of the financial statements for the beginning of 2022 when the Company implements the new accounting standards for the first time

Applicable Non-applicable

This is hereby notified

Board of directors of RemeGen Co., Ltd.