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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 THIRD 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 Third 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 Third 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 Third 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
October 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 Mr. Hao Xianjing, Dr. Ma Lan and Mr. Chen Yunjin as the independent non-executive directors.

* For identification purpose only

RemeGen Co., Ltd.

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The board of directors and all directors of the Company affirm that this announcement contains no false representations or misleading statements or material omissions and they are responsible for the truthfulness, accuracy and completeness of its contents in accordance with the applicable laws.

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 third quarterly financial statements have been audited:

Yes No

I. KEY FINANCIAL INFORMATION

(I) Key accounting data and financial indicators

Unit: RMB Currency: Renminbi

Item	The Reporting Period	Increase/decrease compared with the same period of the previous year (%)	From the beginning of the year to the end of the Reporting Period	Increase/decrease compared with the same period of the previous year (%)
Operating revenue	219,260,922.75	162.30	569,635,902.97	397.47
Net profit attributable to shareholders of the listed company	-199,094,007.06	N/A	-688,219,233.92	N/A
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-219,716,079.67	N/A	-714,852,514.20	N/A

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Net cash flows from operating activities	N/A	N/A	-1,080,292,854.28	N/A
Basic earnings per share (RMB/share)	-0.37	N/A	-1.32	N/A
Diluted earnings per share (RMB/share)	-0.37	N/A	-1.32	N/A
Weighted average return on equity (%)	-3.44	An increase of 5.41 percentage points	-14.48	An increase of 7.48 percentage points
Total R&D spending	212,869,547.05	7.50	662,541,383.59	26.29
R&D as a percentage of revenue (%)	97.09	A decrease of 139.80 percentage points	116.31	A decrease of 341.85 percentage points
	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	5,971,303,165.55	4,159,208,876.60		43.57
Owners' equity attributable to shareholders of the listed company	5,267,753,628.11	3,446,421,451.58		52.85

Note: The "Reporting Period" means the three-month period from the beginning of the quarter to the end of the quarter, the same hereinafter.

(II) Non-recurring items and amounts

Unit: RMB Currency: Renminbi

Item	Current amount	Amount from the beginning of the year to the end of the Reporting Period	Description
Profits or losses on disposal of non-current assets	74,531.03	-359,730.47	Net loss on disposal of non-current assets
Government grants recognised as current profits and losses, except those that are closely related to the Company's normal course of business operations, comply with national policies, and are continuously obtained by fixed amount or fixed quantity based on a set of standards	15,092,146.77	26,728,485.95	Government grants recognised as other income
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	8,052,296.28	11,525,783.92	Gains from structured deposits

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Other non-operating income and expenses other than the above items	-2,596,901.47	-11,261,259.12	Mainly are donation expenses
Other gains and losses classified to non-recurring profits or losses			
Less: Impact on income tax			
Impact of non-controlling interests (after tax)			
Total	20,622,072.61	26,633,280.28	

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 Not Applicable

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

Applicable Not Applicable

Item	Percentage change (%)	Primary reason
Operating revenue_The Reporting Period	162.30	This was mainly due to the fact that telitacept for injection and disitamab vedotin for injection were included into the National Health Insurance List (國家醫保目錄) and therefore the sales increased and operating revenue increased. In addition, technology service revenue from Seagen increased.
Operating revenue_From the beginning of the year to the end of the Reporting Period	397.47	This was mainly due to the fact that telitacept for injection was approved for conditional marketing by the NMPA in March 2021 and became commercially available, and disitamab vedotin for injection was approved for conditional marketing on June 9, 2021 and became commercially available in July 2021. The introduction of two new drugs into the National Health Insurance List (國家醫保目錄) by the end of 2021 increased sales coupled with the our increased product sales revenue. In addition, technology service revenue from Seagen increased.
Net cash flows from operating activities_From the beginning of the year to the end of the Reporting Period	N/A	The increase in cash outflow from each operating activity during the Period was mainly due to the increase in material expenditure resulting from the longer delivery period of, and larger amount for, imported materials required for the stock-up of commercialized production coupled with the corresponding increase in staff costs from significant increase in production and sales staff as well as the increase in R&D expenditure resulting from the ongoing research and development activities.
R&D as a percentage of revenue (%)_The Reporting Period	A decrease of 139.80 percentage points	This was mainly because the proportion of investment in R&D decreased and the significant increase in operating revenue.
R&D as a percentage of revenue (%)_From the beginning of the year to the end of the Reporting Period	A decrease of 341.85 percentage points	
Total assets_As at the end of the Reporting Period	43.57	This was mainly because proceeds received from the A-share listing increased.
Owners' equity_As at the end of the Reporting Period	52.85	This was mainly because capital reserve and share capital increased due to the financing of the A-share listing.

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II. SHAREHOLDER INFORMATION

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

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	6,764	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	189,566,228	34.83	0	0	Unknown	
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
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
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
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
PAG Growth Prosperity Holding I (HK) Limited	Overseas legal person	15,076,145	2.77	15,076,145	15,076,145	Nil	0
I-NOVA Limited	Overseas legal person	13,600,000	2.50	13,600,000	13,600,000	Nil	0
Shenzhen Capital Group Co., Ltd.	State-owned legal person	12,813,478	2.35	12,813,478	12,813,478	Nil	0
Yantai Rongshi Enterprise Management Center (Limited Partnership)	Domestic non-state-owned legal person	9,190,203	1.69	9,190,203	9,190,203	Nil	0
Holdings of top ten unrestricted shareholders							
Name of shareholder	Number of unrestricted outstanding shares held	Share type and quantity					
		Share type	Quantity				

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HKSCC Nominees Limited	189,566,228	Overseas listed foreign shares	189,566,228
Bank of China Limited - E Fund Healthcare Sector Hybrid Fund	2,542,506	RMB-denominated ordinary shares	2,542,506
Hong Kong Securities Clearing Company Limited	1,738,231	RMB-denominated ordinary shares	1,738,231
Agricultural Bank of China Limited - Fullgoal Value Advantage Hybrid Fund	1,723,072	RMB-denominated ordinary shares	1,723,072
China Merchants Bank Co., Ltd. - Fullgoal Science and Technology 2-year Open-ended Hybrid Fund	1,532,286	RMB-denominated ordinary shares	1,532,286
E Fund Management - China Life Insurance Co., Ltd. - participating insurance - E Fund China Life Balanced Stock Portfolio Single Asset Management Plan (available for sale)	1,297,691	RMB-denominated ordinary shares	1,297,691
National Social Security Fund 114 Portfolio	960,038	RMB-denominated ordinary shares	960,038
Industrial and Commercial Bank of China Limited - China Universal Health Care Mixed Securities Investment Fund	930,231	RMB-denominated ordinary shares	930,231
Industrial and Commercial Bank of China Limited - Zhong Ou Medical and Health Hybrid Fund	895,309	RMB-denominated ordinary shares	895,309
Bank of Shanghai Co., Ltd. - Zhong Ou Industry Perspective Hybrid Fund	800,003	RMB-denominated ordinary shares	800,003
Description of the connected relationship or concerted actions among the above shareholders	Yantai Rongda Venture Capital Center (Limited Partnership), Fang Jianmin and I-NOVA Limited established a concerted action relationship.		
Description of top ten shareholders' and top ten unrestricted shareholders' participation in margin trading and re-lending business (if any)	Nil		

Note 1: The shares held by HKSCC Nominees Limited (香港中央結算(代理人)有限公司) are shares it holds on behalf of several clients, and part of the H shares held by PAG Growth Prosperity Holding I (HK) Limited and I-NOVA Limited are registered under HKSCC Nominees Limited.

Note 2: The shares under Hong Kong Securities Clearing Company Limited are held by non-registered shareholders under Shanghai-Hong Kong Stock Connect.

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III. OTHER REMINDERS

Other important information about the operation of the Company during the Reporting Period that investors should be reminded of

Applicable Not Applicable

IV. Quarterly Financial Statements

(I) Types of audit opinions

Applicable Not Applicable

(II) Financial statements

Consolidated Balance Sheet

30 September 2022

Prepared by: RemeGen Co., Ltd.

Unit: RMB Currency: Renminbi Audit type: Unaudited

Item	30 September 2022	31 December 2021
Current assets:		
Cash and bank balances	2,034,818,774.76	1,835,498,496.42
Held-for-trading financial assets	496,838,126.39	-
Accounts receivable	142,552,160.15	2,311,600.59
Receivables financing	72,050,206.55	4,737,728.20
Prepayments	275,505,029.15	124,095,384.56
Other receivables	44,749,839.79	7,460,829.18
Inventories	442,285,036.79	280,314,179.90

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Other current assets	50,252,609.00	45,533,779.99
Total current assets	3,559,051,782.58	2,299,951,998.84
Non-current assets:		
Long-term equity investments	-	-
Investments in other equity instruments	84,246,866.33	12,067,000.00
Fixed assets	1,036,831,207.77	967,005,341.89
Construction in progress	954,623,107.76	610,682,092.94
Right-of-use assets	84,231,909.35	109,600,617.19
Intangible assets	53,727,466.49	52,399,058.53
Long-term deferred expenses	6,622,706.68	2,119,783.28
Deferred tax assets	-	-
Other non-current assets	191,968,118.59	105,382,983.93
Total non-current assets	2,412,251,382.97	1,859,256,877.76
Total assets	5,971,303,165.55	4,159,208,876.60
Current liabilities:		
Short-term borrowings	-	-
Notes payable	66,923,417.44	122,737,611.14
Accounts payable	63,812,763.95	36,521,319.13
Receipts in advance	47,856.04	-
Contract liabilities	337,505.81	27,145,918.75
Payroll payable	119,365,609.41	80,485,721.71
Taxes payable	16,253,202.83	6,126,024.84
Other payables	297,940,874.33	279,373,516.72
Non-current liabilities due within one year	28,650,686.83	52,453,633.38
Other current liabilities	7,547,498.54	7,117,057.70
Total current liabilities	600,879,415.18	611,960,803.37
Non-current liabilities:		
Lease liabilities	53,270,452.00	50,323,871.81
Deferred income	48,400,925.38	50,192,699.84
Deferred tax liabilities	998,744.88	310,050.00
Other non-current liabilities	-	-
Total non-current liabilities	102,670,122.26	100,826,621.65
Total liabilities	703,549,537.44	712,787,425.02
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	544,263,003.00	489,836,702.00
Capital reserve	6,204,192,567.04	3,743,320,422.56
Less: treasury shares	463,027,903.80	449,170,386.87
Other comprehensive income	13,995,979.59	5,885,497.69
Retained earnings	-1,031,670,017.72	-343,450,783.80
Total equity attributable to owners (or shareholders) of the parent company	5,267,753,628.11	3,446,421,451.58
Non-controlling interests	-	-
Total owners' equity (or shareholders' equity)	5,267,753,628.11	3,446,421,451.58
Total liabilities and owners' equity (or shareholders' equity)	5,971,303,165.55	4,159,208,876.60

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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-September 2022

Prepared by: RemeGen Co., Ltd.

Unit: RMB Currency: Renminbi Audit type: Unaudited

Item	First three quarters of 2022 (January- September)	First three quarters of 2021 (January- September)
I. Total operating revenue	569,635,902.97	114,506,776.26
Including: Operating revenue	569,635,902.97	114,506,776.26
II. Total operating costs	1,275,365,048.88	801,986,367.77
Including: Operating costs	223,571,419.06	10,255,755.34
Taxes and surcharges	4,550,559.92	2,513,563.83
Selling expenses	277,655,225.92	128,735,706.92
Administrative expenses	160,657,733.46	159,286,810.27
R&D expenses	662,541,383.59	524,624,528.96
Finance costs	-53,611,273.07	-23,429,997.55
Including: Interest expenses	3,381,517.19	3,056,933.29
Interest income	47,988,016.63	32,737,949.49
Add: Other income	26,728,485.95	18,657,253.17
Gain from changes in fair value (loss denoted by "-")	11,525,783.92	-
Credit impairment loss (loss denoted by "-")	-9,123,368.29	-476,421.57
Gain on disposal of assets (loss denoted by "-")	15,499.70	15,982.61
III. Operating profit (loss denoted by "-")	-676,582,744.63	-669,282,777.30
Add: Non-operating income	45,703.21	2,456,696.49
Less: Non-operating expenses	11,682,192.50	21,433,313.74
IV. Total profit (total loss denoted by "-")	-688,219,233.92	-688,259,394.55
Less: Income tax expenses	-	-
V. Net profit (net loss denoted by "-")	-688,219,233.92	-688,259,394.55
(I) By continuity of operations		
1. Net profit from continuing operations (net loss denoted by "-")	-688,219,233.92	-688,259,394.55
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 "-")	-688,219,233.92	-688,259,394.55
2. Profit or loss attributable to non-controlling interests (net loss denoted by "-")		
VI. Other comprehensive income, net of tax	8,110,481.90	-356,854.83
(I) Other comprehensive income attributable to owners of the parent company, net of tax	8,110,481.90	-356,854.83
1. Other comprehensive income not to be reclassified to profit or loss	2,066,084.65	-676,575.00
(1) Gains and losses from remeasurements of a defined benefit plan	-	-

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(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	2,066,084.65	-676,575.00
(4) Changes in fair value attributable to the changes in credit risk	-	-
2. Other comprehensive income to be reclassified to profit or loss	6,044,397.25	319,720.17
(1) Other comprehensive income to be reclassified to profit or loss under equity method	-	-
(2) Changes in fair value of other debt investments	-	-
(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	6,044,397.25	319,720.17
(7) Others		
(II) Other comprehensive income attributable to non-controlling interests, net of tax	-	-
VII. Total comprehensive income	-680,108,752.02	-688,616,249.38
(I) Total comprehensive income attributable to owners of the parent company	-680,108,752.02	-688,616,249.38
(II) Total comprehensive income attributable to non-controlling interests		
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-1.32	-1.41
(II) Diluted earnings per share (RMB/share)	-1.32	-1.41

For business combination under common control during the current period, the net profit of the combined party realised prior to the combination was nil, and the net profit of the combined party realised 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-September 2022

Prepared by: RemeGen Co., Ltd.

Unit: RMB Currency: Renminbi Audit type: Unaudited

Item	First three quarters of 2022 (January- September)	First three quarters of 2021 (January-September)
I. Cash flows from operating activities:		
Cash receipts from sales of goods and provision of services	186,301,012.43	66,155,543.35
Tax refund received	107,920,904.38	117,068,958.43
Cash received from other operating activities	79,893,775.96	52,272,062.40
Sub-total of cash inflows from operating activities	374,115,692.77	235,496,564.18
Cash paid for goods and services	324,755,496.57	164,243,517.72
Cash paid to and on behalf of employees	490,907,286.11	294,038,564.80
Cash paid for taxes and levies	11,659,881.41	2,176,210.74
Cash paid for other operating activities	627,085,882.96	494,846,766.33
Sub-total of cash outflows from operating activities	1,454,408,547.05	955,305,059.59
Net cash flows from operating activities	-1,080,292,854.28	-719,808,495.41
II. Cash flows from investment activities:		
Cash received from the disposal of investments	678,000,000.00	-

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Cash received from investment income	2,187,657.53	-
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	85,580.00	-
Cash received from other investment activities	5,380,437.61	86,580,323.21
Sub-total of cash inflows from investment activities	685,653,675.14	86,580,323.21
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	609,666,464.51	429,996,657.24
Cash paid for investments	1,235,711,442.05	-
Cash paid for other investment activities		127,224,253.98
Sub-total of cash outflows from investment activities	1,845,377,906.56	557,220,911.22
Net cash flows from investing activities	-1,159,724,231.42	-470,640,588.01
III. Cash flows from financing activities:		
Cash received from capital contributions	2,612,462,448.00	-
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	2,917,786.96	2,925,195.13
Cash paid for other financing activities	171,520,360.90	458,331,339.57
Sub-total of cash outflows from financing activities	174,438,147.86	569,256,534.70
Net cash flows from financing activities	2,438,024,300.14	-569,256,534.70
IV. Effects of changes in exchange rate on cash and cash equivalents	12,279,984.86	-5,561,998.00
V. Net increase in cash and cash equivalents	210,287,199.30	-1,765,267,616.12
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	1,967,108,319.61	1,003,253,752.77

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 or interpretations for the first time

Applicable Not Applicable

This is hereby notified.

Board of directors of RemeGen Co., Ltd.

October 27, 2022