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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)

CONNECTED TRANSACTION IN RELATION TO PURCHASE OF CONSUMABLES

The board (the “**Board**”) of directors (“**Directors**”) of RemeGen Co., Ltd. (the “**Company**”) is pleased to announce that on December 10, 2021 (after trading hours), the Company has entered into a consumables purchase contract (the “**Consumables Purchase Contract**”) with Yantai MabPlex International Biomedical Co., Ltd. (煙台邁百瑞國際生物醫藥股份有限公司)(“**MabPlex**”). Pursuant to the Consumables Purchase Contract, MabPlex agreed to sell certain consumables to the Company at a total consideration of RMB5,863,768.77 (the “**Purchase**”).

CONSUMABLES PURCHASE CONTRACT

The principal terms of the Consumables Purchase Contract are as follows:

Date: December 10, 2021

Parties: (i) the Company (as purchaser); and
(ii) MabPlex (as vendor)

Target Consumables:	<p>The consumables to be purchased by the Company under the Consumables Purchase Contract include (the “Target Consumables”): (i) six pieces of Viresolve® Pro Modus 1.2 Device filtration devices with catalogue number VPMD102NB1 with an original purchase cost of USD2,008.50 each; (ii) four pieces of Viresolve® Pro Modus 1.3 Device filtration devices with catalogue number VPMD103NB1 with an original purchase cost of USD4,953.00 each; (iii) five pieces of Millistak+® depth filter of 0.054m² surface area with catalogue number MA1HC054H1 with an original purchase cost of USD241.80 each; (iv) 40 pieces of Viresolve® Pro Magnus 2.1 Device filtration devices with catalogue number VPMG201NB1 with an original purchase cost of USD10,013.25 each; and (v) 252 pieces of Millistak+® depth filter of 1.1m² surface area with catalogue number MA1HC10FS1 with an original purchase cost of USD687.38 each, all of which were produced by and procured from Merck & Co., Inc. (“Merck”), a third party independent of the Company and its connected persons. The Target Consumables are used in the production of commercialised products of the Company and research and development activities conducted by the Company.</p>
Consideration and payment:	<p>The total consideration for the purchase of the Target Consumables under the Consumables Purchase Contract shall be approximately RMB5,863,768.77 (tax inclusive), making up of (i) RMB116,449.80 for six pieces of Viresolve® Pro Modus 1.2 Device filtration devices with catalogue number VPMD102NB1; (ii) RMB191,445.00 for four pieces of Viresolve® Pro Modus 1.3 Device filtration devices with catalogue number VPMD103NB1; (iii) RMB11,682.65 for five pieces of Millistak+® depth filter of 0.054m² surface area with catalogue number MA1HC054H1; (iv) RMB3,870,354.40 for 40 pieces of Viresolve® Pro Magnus 2.1 Device filtration devices with catalogue number VPMG201NB1; and (v) RMB1,673,836.92 for 252 pieces of Millistak+® depth filter of 1.1m² surface area with catalogue number MA1HC10FS1, which shall be funded by the proceeds from sales of commercialised products of the Company.</p>
Completion:	<p>The Company shall accept delivery of the Target Consumables from MabPlex by batches. Upon the acceptance of each batch of the Target Consumables by the Company, MabPlex shall issue a value-added tax invoice to the Company, and the Company shall make payment by wire transfer to a bank account designated by MabPlex within two weeks upon receipt of the invoice.</p>
Acceptance:	<p>The Company will conduct visual inspection on the Target Consumables during acceptance. Such visual inspection includes checking the number, catalogue number, specification, surface defect and relevant paperwork. If the Target Consumables do not pass the visual inspection, the purchaser shall have the right to choose one or more of the following measures such as declining acceptance of goods, exchange or return of goods, subsequent delivery of missing goods and corresponding reduction of consideration (as the case may be) for part or all of the Target Consumables, and the expenses incurred therefrom shall be borne by the vendor.</p>

BASIS FOR DETERMINATION OF THE CONSIDERATION

The consideration for the purchase of Target Consumables from MabPlex was determined after arm's length negotiation between the purchaser and the vendor, primarily with reference to, among others, the original acquisition costs paid by MabPlex when purchasing such consumables, the transportation costs incurred by MabPlex, the tariff and the value-added tax to be borne by the Company.

REASONS FOR AND BENEFITS OF THE PURCHASE

The Target Consumables purchased from MabPlex are required by the Company in the production of commercialised products of the Company and research and development activities conducted by the Company. According to the best knowledge and understanding of the Company, MabPlex procures equipment and consumables from Merck from time to time in its ordinary and usual course of business. As MabPlex is already an existing customer of Merck, it enjoys a shorter procurement cycle when purchasing equipment and consumables from them compared with direct purchase by the Company. Given the supply shortage of raw materials used by global production and a long procurement cycle, in order to ensure the ordinary production of the Company, upon knowing that MabPlex was going to procure some equipment and consumables from Merck, the Company commissioned MabPlex to procure the Target Consumables from Merck together with its other procurement orders and then purchased the same from MabPlex at the consideration taking into account the original purchase costs paid by MabPlex and other fees and charges, including, among others, the transportation costs incurred by MabPlex, the inspection fees, the tariff and the value added tax to be borne by the Company. The aforesaid transaction is beneficial to the Company in saving time cost and improving efficiency in research and development.

In view of the above, the Directors (including the independent non-executive Directors) believe that the Purchase is conducted by the Company in its ordinary and usual course of business and on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As Mr. Wang Weidong, Dr. Fang Jianmin, Mr. Lin Jian and Dr. Wang Liqiang have a material interest in the Consumables Purchase Contract, they have abstained from voting on the board resolutions of the Company in relation to the Purchase.

INFORMATION OF THE COMPANY AND MABPLEX

The Company and its subsidiaries is 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.

MabPlex and its subsidiaries is a global contract development and manufacturing organization and undertakes contract development and manufacturing of biopharmaceuticals, including monoclonal antibodies, recombinant proteins, antibody drug conjugates and bispecifics.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the controlling shareholders of the Company, namely Mr. Wang Weidong, Dr. Fang Jianmin, Mr. Lin Jian, Dr. Wang Liqiang, Mr. Wang Xudong, Mr. Deng Yong, Mr. Xiong Xiaobin, Mr. Wen Qingkai, Ms. Yang Minhua, Mr. Wei Jianliang, Yantai Rongda Venture Capital Center (Limited Partnership) (煙台榮達創業投資中心(有限合夥)), RongChang Holding Group LTD and I-NOVA Limited (collectively, the “**Controlling Shareholders**”), hold approximately 46.22% of the total issued shares of the Company. Yantai Rongrui Consulting Service Co., Ltd. (煙台榮瑞諮詢服務有限公司) (“**Rongrui Consulting**”) is the single largest shareholder of MabPlex holding approximately 35.10% of its equity interests. The Controlling Shareholders (other than Yantai Rongda Venture Capital Center (Limited Partnership), RongChang Holding Group LTD and I-NOVA Limited) are interested in an aggregate of approximately 45.61% equity interests in MabPlex through Rongrui Consulting, Yantai Zengrui Business Management Center (Limited Partnership) (煙台增瑞企業管理中心(有限合夥)), Yantai Yirui Business Management Center (Limited Partnership) (煙台頤瑞企業管理中心(有限合夥)) and Mabplex Holding LTD. Accordingly, MabPlex is an associate of the Controlling Shareholders. Hence, MabPlex is a connected person of the Company.

Reference is made to the announcement of the Company dated May 3, 2021 in relation to the acquisition of assets from MabPlex and its wholly-owned subsidiary, MabPlex Biomedical (Shanghai) Co., Ltd. (邁百瑞生物醫藥(上海)有限公司) (the “**Asset Acquisition Transaction**”). Since both the Asset Acquisition Transaction and the Purchase are all entered into with MabPlex and its subsidiaries within a 12-month period, and both the Asset Acquisition Transaction and the Purchase relate to the acquisition of equipment and consumables used in the Company’s research and development activities, the Directors consider that it is appropriate to aggregate the Asset Acquisition Transaction and the Purchase pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate of the consideration for the Asset Acquisition Transaction and the Purchase, calculated in accordance with Rule 14.07 of the Listing Rules, is above 0.1% but below 5%, the transactions under the Asset Acquisition Transaction and the Purchase are only subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

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

Yantai, the People’s Republic of China
December 10, 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 executive Directors, Dr. Wang Liqiang and Dr. Su Xiaodi as the non-executive Directors, Ms. Yu Shanshan, Mr. Hao Xianjing and Dr. Ma Lan as the independent non-executive Directors.

* For identification purposes only