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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)

**PROPOSED ISSUE OF A SHARES AND LISTING ON THE SCI-TECH
BOARD AND OTHER ANCILLARY RESOLUTIONS**

AND

**PROPOSED AMENDMENTS TO THE ARTICLES ANCILLARY TO THE
PROPOSED ISSUE**

AND

**UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO ONE-THIRD
OF THE TOTAL SHARE CAPITAL**

AND

**PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR
AND CHANGE IN THE COMPOSITION OF BOARD COMMITTEE**

PROPOSED ISSUE OF A SHARES

The Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 54,426,301 A Shares and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Sci-Tech Board.

The Issue of A Shares will be subject to, among other things, the approval by the Shareholders by way of special resolutions at the EGM and Class Meetings, as well as the approvals by the CSRC and the Shanghai Stock Exchange.

OTHER ANCILLARY RESOLUTIONS RELATING TO THE ISSUE OF A SHARES

Other relevant resolutions in connection with the Issue of A Shares were also passed at respective meetings of the Board of Directors. Details of these resolutions are set out in the paragraphs headed “Other resolutions relating to the Issue of A Shares” below.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board further announces that for the purpose of the listing on the Sci-Tech Board, the Board considered and approved the proposed amendments to the Articles.

The proposed amendments to the Articles will be subject to the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings. If approved, the revised Articles will take effect upon completion of the Issue of A Shares and listing on the Sci-Tech Board.

UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO ONE-THIRD OF THE TOTAL SHARE CAPITAL

An ordinary resolution will be proposed at the EGM to consider and approve the uncovered deficit of the Company amounting to one-third of its total share capital.

PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND COMPOSITION OF BOARD COMMITTEE

The Board further announces that (i) Dr. Lorne Alan Babiuk will, due to other work commitments, resign as an independent non-executive Director of the Company, and will cease to be a member of the Strategy Committee with effect from the date of the EGM to be convened to approve, among others, the proposed appointment of Dr. Ma Lan as an independent non-executive Director, and (ii) Dr. Ma Lan has been nominated as candidate for appointment as independent non-executive Director of the first session of the Board subject to the approval by the Shareholders at the EGM.

An ordinary resolution will be proposed at the EGM to consider and approve the the proposed appointment of Dr. Ma Lan as an independent non-executive Director of the Company.

GENERAL

The Company will, at the EGM and the Class Meetings, seek the Shareholders' approval on: (1) the special resolution on the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the Sci-Tech Board; (2) the special resolution on the Proposed Issue of A Shares and Listing on the Sci-Tech Board; (3) the special resolution on the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis; (4) the special resolution on the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares; (5) the special resolution on the Company's share price stabilization plan and restraining measures within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board; (6) the special resolution on the three-year dividend distribution plan for shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board; (7) the special resolution on the impact of dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures; (8) the special resolution on the undertakings and restraining measures relating to the Company's Issue of A Shares and listing on the Sci-Tech Board; (9) the special resolution on authorizing the Board of Directors to fully handle matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board; (10) the special resolution on the engagement of intermediaries; (11) the special resolution on the confirmation of the Company's related party transactions in the past three years; (12) the special resolution on the formulation of the amended Articles in respect of the Issue of A Shares that come into effect after the Company's Issue of A Shares and listing on the Sci-Tech Board; (13) the special resolution on the amendments to and/or adoption of each of the "Rules of Procedures for the Meeting of Shareholders", the "Rules of Procedures for the Board of Directors", the "Rules of Procedures for the Supervisory Committee" and the "Terms of Reference for Independent Non-Executive Directors"; and (14) the special resolution on the report on the use of proceeds raised in previous offering. The Company will also, at the EGM, seek the Shareholders' approval on: (15) the ordinary resolution on uncovered deficit of the Company amounting to one-third of the total share capital; (16) ordinary resolution on the amendments to and/or adoption of each of the "Management Policies for Related (Connected) Transactions", the "Management Policies for External Guarantees", the "Management Policies for External Investment", the "Management Policies for Raised Proceeds", the "Management Policies on Material Transactions" and the "Management Policies for Funds Transfers with Related Parties"; and (17) the ordinary resolution on the appointment of Dr. Ma Lan as an independent non-executive Director of the Company.

A circular containing, among other things, the above matters, a notice of the EGM, and notices of the Class Meetings respectively will be despatched to the Shareholders in due course.

There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares will be disclosed by the Company in due course.

PROPOSED ISSUE OF A SHARES AND LISTING ON THE SCI-TECH BOARD

I. PROPOSED ISSUE OF A SHARES

The Board of Directors is pleased to announce that at a meeting of the Board held on May 10, 2021, the Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 54,426,301 A Shares and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Sci-Tech Board.

The Issue of A Shares will be subject to, among other things, the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, as well as the approvals by the CSRC and the Shanghai Stock Exchange.

Details of the Issue of A Shares

i. Class of new Shares to be issued

Ordinary Shares with a nominal value of RMB1.00 each (A Shares).

ii. Place of listing

All A Shares will be listed and traded on the Sci-Tech Board.

iii. Nominal value of new Shares to be issued

RMB1.00 each.

iv. Issue size

The Company proposes to issue not more than 54,426,301 new A Shares, representing approximately 11.11% of the issued Shares of the Company as of the date of this announcement, and approximately 10% of the enlarged issued Shares upon completion of the Issue of A Shares. The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The final issue size will be determined by the Board after consultation with the lead underwriter(s) according to the authorization (if granted at the EGM and the Class Meetings), and be subject to final number of A Shares registered by the CSRC. No over-allotment option will be granted under the Proposed Issue of A Shares.

v. *Target subscribers*

Investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

vi. *Method of issuance*

The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors, or other methods of issuance approved by the securities regulatory authorities (including but not limited to offering to strategic investors). To the best knowledge of the Directors, there is currently no other methods of issuance other than through a combination of off-line placement to the price consultation participants and offering by way of on-line subscription by public investors.

vii. *Method of underwriting*

The Issue of A Shares will be underwritten by the sponsor(s) and underwriter(s) by way of standby commitment.

viii. *Pricing methodology*

The issue price for the A Shares will be determined by the Company and the lead underwriter(s) in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange. As at May 7, 2021 (being the trading date prior to the date of this announcement), the closing price of H Share as quoted on the Stock Exchange is HK\$96.1 per H Share.

ix. *Schedule of issuance*

The Company will proceed with the Issue within 12 months after the Shanghai Stock Exchange issues the approval opinion and CSRC approves the Issue. The Board and the lead underwriter(s) will determine the listing date for the A Shares after the CSRC agrees to the registration of the A Shares and after completion of the offering.

x. Validity period of the resolutions

The resolutions in respect of the Issue of A Shares will be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings. If the Company fails to complete the Proposed Issue of A Shares within 12 months from the date of approval at the EGM and the Class Meetings, the Company will seek further approvals at extraordinary general meeting and class meetings for the Proposed Issue of A Shares. This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolutions.

II. OTHER RESOLUTIONS RELATING TO THE ISSUE OF A SHARES

Other relevant resolutions in connection with the Issue of A Shares were also passed at meeting of the Board, and will be proposed for Shareholders' approval at the forthcoming EGM and Class Meetings (where appropriate). The following summarizes the main contents of the relevant resolutions:

i. The resolution on the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the Sci-Tech Board

After years of development and innovation, the Company was successfully listed on the Stock Exchange and has become a leading enterprise in the biologics industry. The Company has key core technologies, outstanding technological innovation ability, and mainly relies on core technologies to carry out production and operation. It has a stable business model, high market recognition and good social image, and strong growth. By taking into consideration the Company's own actual situation, the Company believes that its business operation is in line with the Sci-Tech Board positioning and national strategy. The Company has fulfilled requirements under existing laws, regulations and regulatory documents in respect of the initial public offering of A Shares and listing on the Sci-Tech Board.

ii. The resolution on the Proposed Issue of A Shares and listing on the Sci-Tech Board

The Company intends to apply for the Issue of A Shares and listing on the Sci-Tech Board in scope set out under the paragraph headed "Proposed Issue of A Shares — Details of the Issue of A Shares" above.

iii. The resolution on the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis

The proceeds raised by the Company from the Proposed Issue of A Shares will be used for the following projects (the “**Projects**”) after deducting the issuance expenses:

No.	Project name	Current Status	Proposed investment amount from proceeds raised (RMB)
1	Industrialization of Biologics (生物新藥產業化項目)	Construction of the new facilities currently underway	1,600,000,000
2	Research and Development of Anticancer Antibodies (抗腫瘤抗體新藥研發項目)	Ongoing (including the phase Ib/II/III trials of RC48 for various indications, and the phase I trials of RC88, RC98 and RC108, as well as a number of other pipeline products that are in pre-IND stage)	853,300,000
3	Research and Development of Antibodies Targeting Autoimmune and Ophthalmic Diseases (自身免疫及眼科疾病抗體新藥研發項目)	Ongoing (including the Phase III confirmatory trial of RC18 for treating SLE and various Phase II/III trials of RC18 for other indications, as well as the Phase Ib trial of RC28 for treating wAMD)	346,700,000
4	Working Capital	N/A	<u>1,200,000,000</u>
	Total		<u><u>4,000,000,000</u></u>

Note: Final names of the Projects shall be based upon names approved by or filed with (if required) the government authorities.

Before the proceeds raised from the Issue of A Shares are in place, the Company may make an initial investment with its own funds according to the needs of the Projects, and after the proceeds raised are in place, the Company can replace the initial investment funds with the proceeds raised from the Issue of A Shares.

After the proceeds raised from the Issue of A Shares are in place, if the net proceeds actually raised (after deducting the issuance expenses) are less than the total amount of proceeds to be invested, the shortfall shall be covered by the Company with its own funds. If the proceeds raised from this issuance exceeds the capital requirements of the Projects, the surplus amount will be mainly used for general corporate and working capital purposes.

If the Proposed Issue of A Shares does not proceed, the Projects may be negatively impacted. For instance, the clinical trials of the Company's pipeline products may be delayed, the large-scale production of the Company's biologics may be delayed and the Company may not be able to recruit sufficient manpower on a timely manner. However, the failure to proceed with the Proposed Issue of A Shares is not expected to cause any material adverse impact to the operations and the financial positions of the Company as the Company has obtained sufficient funds to support its operations and working capital in the near term as a result of the proceeds obtained from the Global Offering, and the Company may seek further funding by way of other financing means. If the Proposed Issue of A Shares does not proceed, the Company will continue to proceed with the Projects and if further funding is required, the Company may raise funds by taking out bank loans, conducting placement of Shares or debt financing, etc..

The Company believes that there are good prospects for the Projects which are complementary to the current businesses of the Company. The Projects are also in line with the relevant national policies, environmental policies and other relevant laws and regulations. The Projects and amounts of proceeds are appropriate for the current business size, financial status, technology standard and management capability of the Company. The proposed use of proceeds are in the interests of the Company and the Shareholders as a whole and are feasible.

iv. The resolution on the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares

The proposal for accumulated profit distribution and the plan for undertaking unrecovered losses in this issuance and listing process are as follows:

As of the date of this announcement, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or uncovered losses before the Issue of A Shares and listing on the Sci-Tech Board, it

is proposed that the new and existing Shareholders shall share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

v. The resolution on the Company's share price stabilization plan and restraining measures within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board

The Company has formulated the "Plan for Stabilization of Price of A Shares within Three Years After the Initial Public Offering of A Shares and Listing on the Sci-Tech Board".

vi. The resolution on reviewing the Company's three-year dividend distribution plan for Shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board

The Company has formulated the "Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the Sci-Tech Board".

vii. The resolution on the impact of dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures

In order to protect the interests of minority shareholders, the Company has conducted sufficient analysis on the impact of dilution on immediate return by the initial public offering of A Shares and has formulated the "Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return".

viii. The resolution on the undertakings and restraining measures relating to the Company's Issue of A Shares and listing on the Sci-Tech Board

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board, and to authorize the Board to make appropriate undertakings for the purpose of the Issue of A Shares in accordance with the laws, regulations and regulatory documents of the PRC, the relevant regulations and policies of the securities regulatory departments, and

combining the review for listing on the Sci-Tech Board in practice and the actual situation of the Company. The undertakings and restraining measures are as follows:

- a) Undertakings on the Truthfulness, Accuracy and Completeness of the Listing Application Documents for the Initial Public Offering and Listing of A Shares on the Sci-Tech Board
- b) Undertakings in relation to the Disclosure of Shareholders' Information Regarding the Initial Public Offering and Listing of A Shares on the Sci-Tech Board
- c) Undertakings on Share Repurchase in the event of Fraudulent Issuance
- d) Undertakings on the Restraining Measures Proposed by the Company for the Purpose of the Initial Public Offering and Listing of A Shares on the Sci-Tech Board
- e) Undertakings on the Restraining Measures Proposed by the Company in relation to the Three-Year Price Stabilization Plan
- f) Undertakings in relation to the Dividend Distribution Plan
- g) Undertakings in relation to the impact of dilution on immediate return

ix. The resolution on authorizing the Board of Directors to fully handle matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board

In order to ensure the smooth progress of the relevant matters relating to the Company's Proposed Issue of A Shares and listing, a proposal will be submitted to the Shareholders at the EGM and Class Meetings to authorize the Board of Directors to deal with the issues relevant to this issuance and listing according to the laws, regulations and regulatory documents of the PRC and the requirements of relevant securities regulatory authorities. The authorization proposed to be granted to the Board shall include without limitation:

1. The formulation and implementation of the specific proposals for this issuance, including but not limited to specific matters such as issue size, target subscribers, method of issuance, timing of issuance, pricing methodology and issue price, in accordance with laws and regulations, the relevant requirements of securities regulatory authorities and the securities market conditions, and within the framework and in accordance with the principles adopted by the Shareholders at the EGM and the Class Meetings.

2. The performance of all procedures relating to the Proposed Issue of A Shares and listing on the Sci-Tech Board, including the procedures relating to registration, approval, registration, review, filing with the relevant regulatory authorities, and to sign, execute, amend and complete all necessary documents to be submitted to the government, authority and organization.
3. The preparation, amendment, signing, submission, publication, disclosure, implementation, suspension and termination of all agreements, contracts, announcement or other documents relating to this issuance and listing (including but not limited to the prospectus for the Issue of A Shares and listing on the Sci-Tech Board, relevant agreements for related (connected) transactions, sponsoring agreement, underwriting agreement, strategic placement agreements, listing agreement, engagement agreements of intermediaries), the engagement of sponsor(s), underwriter(s), legal adviser(s), auditing firm(s), asset valuer(s), receiving bank(s) and other in involved intermediaries this issuance and listing, and the determination and payment of all expenses relating to this issuance and listing.
4. The necessary supplement and amendment to the Articles (draft) and the internal management policies of the Company, the “Plan for Stabilization of Price of A Shares within Three Years After the Initial Public Offering of A Shares and Listing on the Sci-Tech Board”, the “Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the Sci-Tech Board”, the “Analysis on Dilution on Immediate Return by the Initial Public Offering of A Shares and Recovery Measures for the Immediate Return” and other application documents and undertakings by the Company according to the applicable laws and regulations, requirements and suggestions of the relevant securities regulatory authorities or according to the actual conditions of this issuance.
5. The appropriate adjustments to be made to the relevant matters of the investment projects funded by the proceeds raised according to the implementation process of this issuance and listing, market conditions, policy adjustments and comments of the relevant securities regulatory authorities, including but not limited to the confirmation of the process of the investment projects, the allocation of funds when applying the proceeds raised, the confirmation of a special deposit account for the proceeds raised, etc., so long as such adjustments comply with applicable laws.

6. According to the implementation process of this issuance, handling the matters of registration and filing of change in registered capital with the Administration for Market Regulation (市場監督管理局) and relevant regulatory authorities, handling the matters of listing of the A Shares on the Shanghai Stock Exchange and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd. (including but not limited to the registration, circulation and lock-up of shares).
7. To the extent permitted by relevant laws, regulations and regulatory documents, the handling of other matters considered to be necessary, desirable or appropriate for this issuance and listing.

The above authorization, if approved, shall be valid for a period of 12 months from the date of approval at the EGM and the Class Meetings.

Among the authorization matters mentioned above, except for items which are specifically required by laws, regulations, regulatory documents and securities regulatory and administrative institutions to be approved by resolutions of the Board of Directors, the other items may be exercised directly by the Chairman of the Board of Directors or his duly authorized persons on behalf of the Board of Directors.

x. The resolution on the engagement of intermediaries

The Company intends to engage professional intermediaries, including Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司) as the sponsor/lead underwriter, King & Wood Mallesons (北京市金杜律師事務所) as the legal adviser to the Company as to PRC laws, and Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) as the auditor, for the Proposed Issue of A Shares and listing.

xi. The resolution on the confirmation of the Company's related party transactions in the past three years

The Board of Directors has confirmed the status of major transactions with related parties during the reporting period (the years ended December 31, 2018, 2019 and 2020), and considered that such related party transactions were conducted according to relevant national laws and regulations, in line with commercial principles, and the pricing of the transactions were not more favorable than similar transactions conducted with non-related parties.

xii. The resolution on the Proposed Amendments to the Articles

The Company has proposed amendments and formulated the amended Articles. After the Company's amended Articles have been considered and approved by the Shareholders at the EGM and the Class Meetings by way of special resolutions, and after this Issue of A Shares has obtained approval from Shanghai Stock Exchange and registered with CSRC, the amended Articles shall become effective on the date of listing of the Company's A Shares on the Sci-Tech Board and replace the Company's then effective Articles.

xiii. The resolution on amending the internal management policies of the Company

The Company intends to revise the following internal management policies:

1. the "Rules of Procedures for the Meeting of Shareholders";
2. the "Rules of Procedures for the Board of Directors";
3. the "Rules of Procedures for the Supervisory Committee";
4. the "Rules of Procedures for the Meeting of the Strategy Committee of the Board of Directors";
5. the "Rules of Procedures for the Meeting of the Audit Committee of the Board of Directors";
6. the "Rules of Procedures for the Meeting of the Nomination Committee of the Board of Directors";
7. the "Rules of Procedures for the Meeting of the Remuneration and Appraisal Committee";
8. the "Rules of Procedures of the General Manager";
9. the "Terms for Reference for Independent Non-Executive Directors";
10. the "Rules of Procedures of the Secretary to the Board of Directors";
11. the "Management Policies for Related (Connected) Transactions";
12. the "Management Policies for External Guarantees";
13. the "Management Policies for External Investment";

14. the “Information Disclosure Management Policies”;
15. the “Management Policies for Funds Transfers with Related Parties”;
16. the “Management Policies on Material Transactions”;
17. the “Management Policies on Internal Reporting of Material Information”;
18. the “Registration and Management Policies for Insiders”;
19. the “Management Policies for Raised Funds”;
20. the “Administrative Policies on Shareholding Changes of Directors, Supervisors and Senior Management Members”;
21. the “Investor Relations Management Policies”;
22. the “Policies on Liability for Major Errors in Information Disclosure in Annual Reports”; and
23. the “Management Policies on Internal Audit”.

The above internal management policies will come into effect on the date of completion of the Issue of A Shares and listing on the Sci-Tech Board. Until then, the current internal management policies will continue to apply.

The Board of Directors agreed to propose to the Shareholders at the EGM and Class Meetings to authorize the Board of Directors and its authorized persons to adjust and amend the above internal management policies which will become effective from the date of completion of the Issue of A Shares and listing on the Sci-Tech Board in accordance with the provisions of the relevant laws, regulations and regulatory documents, and the requirements and suggestions from the relevant domestic and overseas government authorities and regulatory institutions, and taking into consideration the actual situation of this Proposed Issue of A Shares and listing.

A special resolution will be proposed at the EGM to consider and approve the amendments to and/or adoption of each of the “Rules of Procedures for the Meeting of Shareholders”, the “Rules of Procedures for the Board of Directors”, the “Rules of Procedures for the Supervisory Committee” and the “Terms of Reference for Independent Non-Executive Directors”.

An ordinary resolution will be proposed at the EGM to consider and approve the amendments to and/or adoption of each of the “Management Policies for Related (Connected) Transactions”, the “Management Policies for External Guarantees”, the “Management Policies for External Investment”, the “Management Policies for Raised Proceeds”, the “Management Policies on Material Transactions” and the “Management Policies for Funds Transfers with Related Parties”.

xiv. The resolution on the report on the use of proceeds raised in previous offering

The Company has prepared the “Report on the Use of Proceeds Raised in Previous Offering by RemeGen Co., Ltd.”, Ernst & Young Hua Ming LLP has verified the said report and issued a verification report thereon, and in its opinion, the said report prepared by the Company has complied in all material aspects with the requirements of the Rules for Report on the Use of Proceeds Raised in Previous Offering published by the CSRC.

xv. The resolution on uncovered deficit of the Company amounting to one-third of the total share capital

As at December 31, 2020, the accumulated loss of the Company was RMB619,708,670.96 and the share capital of the Company was RMB489,836,702. In accordance with the relevant provisions of the Company Law of the PRC, the uncovered losses of the Company amount to one-third of the total share capital of the Company and will be considered at the EGM.

Save for the ordinary resolution to consider and approve the amendments to and/or adoption of each of the “Management Policies for Related (Connected) Transactions”, the “Management Policies for External Guarantees”, the “Management Policies for External Investment”, the “Management Policies for Raised Proceeds”, the “Management Policies on Material Transactions” and the “Management Policies for Funds Transfers with Related Parties”, and the above proposal (xv), the above proposals (i) to (xiv) shall be submitted to the EGM and the Class Meetings, respectively, for consideration and approval by way of special resolutions.

III. REASONS FOR THE ISSUE OF A SHARES AND LISTING ON THE SCI-TECH BOARD

The Company considers that the listing on the Sci-Tech Board will accelerate the Group’s development and improve its competitiveness, it would be beneficial to the Company and its Shareholders as a whole and is beneficial to strengthen the sustainable development of the Company for the following reasons.

Branding and benefits as a dual listed company

Following the listing of the H Shares of the Company in November 2020, the Issue of A Shares would allow the Company to become a dual listed company and further enrich its capital base and develop both domestic and international financing platforms. Listing domestically in the PRC would also enable the Company to further enhance its brand image and influence in the domestic market.

As a dual listed company, the Company will be required to comply with the listing rules of both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, which further optimize the Company's corporate governance structure and provide higher level of corporate transparency to Shareholders and potential investors, which is more conducive to protecting the interests of all shareholders as a whole.

Since the establishment of the Sci-Tech Board, it has attracted a lot of companies with strong technological capabilities. Listing on the Sci-Tech Board is beneficial to promoting the value and interests of our Company and Shareholders as a whole.

Further funding needs to be met by proceeds from Proposed Issue of A Shares

While the proceeds raised from the Global Offering provide strong support for the R&D and commercialization of the Company's Core Products and other key products in its product pipeline, the proceeds from the Issue of A Shares will enable the Company to press ahead with the progress of the clinical trials of its drug candidates targeting various indications in China and to fulfill the funding requirements for manufacturing upon commercialization of its drug candidates.

Amongst the total proceeds of approximately HK\$4,444.2 million (equivalent to RMB3,784.5 million) raised from the Global Offering, RMB1,324.58 million is allocated for the clinical trials of the Core Products and RMB567.68 million is allocated for the development of drugs other than the Core Products. As disclosed in the Prospectus, the Company has a product pipeline of seven drug candidates in addition to the three Core Products. As such, the Company needs to raise further funds to support the development of its other drug candidates.

In addition, although RMB946.13 million from the proceeds from the Global Offering is allocated to fund the construction of new manufacturing facility, further funding is required to put in place the supporting facilities to meet the expected commercial manufacturing requirements of the Company's commercialized products by the time the construction of the manufacturing facility is completed.

Furthermore, as the Company is gradually evolving from a pure research and development company to a company with commercialized products, the Company would need to recruit more staff to further build up and strengthen its sales and management functions, and the Company also needs to recruit more staff for its research and development for its drug candidates that are proceeding to more advanced stages in the clinical development process.

IV. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Upon completion of the issue and listing of A Shares, all of the then existing Domestic Shares and Unlisted Foreign Shares (excluding those which is subject to the Conversion and Listing as described below) will be converted into A Shares and be listed on the Sci-Tech Board. Such converted A Shares will be deposited in China Securities Depository and Clearing Co., Ltd. and subject to lock-up periods as required under relevant PRC laws and regulations.

As disclosed in the announcement of the Company dated March 25, 2021, the Company has received official approval from the CSRC for the conversion of a total of 71,232,362 unlisted shares into H Shares and their listing thereof on the Stock Exchange (the “**Conversion and Listing**”). Completion of the Conversion and Listing is subject to the performance of other procedures required by the CSRC, the Stock Exchange and other onshore and offshore regulatory authorities and the Company will make further announcements on the progress of the Conversion and Listing in compliance with the Listing Rules and other applicable rules.

Assuming that a total of 54,426,301 new A Shares are to be issued, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Issue of A Shares is as follow (assuming there is no other change in the share capital of the Company from the date of this announcement up to and including the date of completion of the Issue of A Shares):

	As at the Latest Practicable Date	Immediately after the completion of the Issue of A shares
Controlling Shareholders		
(1) Domestic Shares	148,873,474	—
(2) Unlisted Foreign Shares	77,502,045	—
(3) H Shares to be converted from Unlisted Foreign Shares	—	33,572,387
(4) A Shares to be converted from Domestic Shares and Unlisted Foreign Shares	—	192,803,132
Subtotal	226,375,519 (46.21% of the total issued Shares)	226,375,519 (41.59% of the total issued Shares)
Other Shareholders		
(1) Domestic Shares	90,420,817	—
(2) Unlisted Foreign Shares	54,691,489	—
(3) A Shares to be converted from existing Domestic Shares	—	81,375,122
(4) A Shares to be converted from existing Unlisted Foreign Shares	—	26,077,209
(5) H Shares to be converted from existing Domestic Shares	—	9,045,695
(6) H Shares to be converted from existing Unlisted Foreign Shares	—	28,614,280
(7) H Shares	118,348,877	118,348,877
New A Shares proposed to be issued	<u>—</u>	<u>54,426,301</u>
Total	<u><u>489,836,702</u></u>	<u><u>544,263,003</u></u>

Note: Certain Shareholders holding Domestic Shares and Unlisted Foreign Shares are in the process of application for conversion into H Shares as part of the H Share full circulation programme of the Company.

Assuming a maximum of 54,426,301 A Shares are issued, it is expected that a total of 317,887,484 Shares of the Company, representing 58.41% of the then total issued Shares of the Company will be held by the public (including H Shares and A Shares held by the public but excluding any Shares held by the Company's substantial shareholders, Directors, Supervisors, chief executive and their respective close associates) following the completion of the Proposed Issue of A Shares. As such, the Company would still be able to meet the minimum requirement on public float percentage under the Listing Rules. The Company will closely monitor the shareholdings of the Controlling Shareholders and other core connected persons to monitor its public float percentage (including H Shares and A Shares held by the public) to maintain the minimum percentage of listed securities as prescribed by Rule 8.08 of the Listing Rules at all times, including during the stabilization period for the newly issued A shares, in public hands. The Company will also ensure its compliance with relevant requirements on public float as stipulated under the Listing Rules and will promptly notify the Stock Exchange of any changes in the Company's public float.

V. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On November 9, 2020, the Company issued 76,537,000 new H Shares at HK\$52.10 per H Share for total gross proceeds of approximately HK\$3,987.6 million by way of initial public offering of the Company on the Stock Exchange.

On December 2, 2020, as part of the Global Offering, the over-allotment option was fully exercised and the Company issued an aggregate of 11,480,500 H Shares at HK\$52.10 per H Share for total gross proceeds of approximately HK\$598.1 million.

After the deduction of listing expenses, the total net proceeds from the Global Offering (including the exercise of the over-allotment option) was approximately HK\$4,350.8 million.

The intended use of net proceeds from the Global Offering as disclosed in the Prospectus is as below:

- approximately 50.0% will be used primarily for the clinical development and commercialization (subject to regulatory approval) of the following drug candidates:
 - approximately 15% will be used to fund the ongoing and planned clinical trials, preparation for registration filings, launch and, subject to regulatory approval, commercialization of telitacicept (RC18), of which;
 - approximately 15% will be used to fund the ongoing and planned clinical trials and preparation for potential registration filings of disitamab vedotin (RC48);

- approximately 5% will be used to fund the ongoing and planned clinical trials of RC28 for the treatment of wet AMD, DME and DR in China;
- approximately 15% will be used to fund the development of RC88 and RC98, as well as early-stage drug discovery and development;
- approximately 25% will be used to fund the construction of the new manufacturing facility to expand the Company’s commercial manufacturing capacity;
- approximately 15% will be used to repay the borrowings from RC Pharma; and
- approximately 10% will be used for general corporate and working capital purposes.

As of December 31, 2020, the Company used approximately RMB975.2 million from the proceeds mentioned above and a detailed breakdown of such uses has been disclosed in the Company’s annual report published on April 28, 2021 for the year ended December 31, 2020.

The remaining proceeds are intended to be used in line with those disclosed in the Prospectus.

Apart from the fund raising activities listed above, the Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to prepare for the listing on the Sci-Tech Board and comply with the relevant CSRC and Shanghai Stock Exchange rules, to further improve and regulate the Articles and satisfy the relevant requirements of laws, regulations and regulatory documents, including the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), and taking the practical circumstances of the Company into consideration, the Board resolved to amend the existing Articles.

The proposed amendments to the Articles will be subject to Shareholders’ approval by way of special resolutions at the EGM and the Class Meetings.

The revised Articles will take effect upon completion of the Issue of A Shares and listing on the Sci-Tech Board. The relevant details will be set out in the circular to be despatched.

UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO ONE-THIRD OF THE TOTAL SHARE CAPITAL

As at December 31, 2020, the accumulated loss of the Company was RMB619,708,670.96 and the share capital of the Company was RMB489,836,702. In accordance with the relevant provisions of the Company Law of the PRC, the uncovered losses of the Company amount to one-third of the total share capital of the Company and will be considered at the EGM.

PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE IN THE COMPOSITION OF BOARD COMMITTEE

The Board further announces that (i) Dr. Lorne Alan Babiuk will, due to other work commitments, resign as an independent non-executive Director of the Company, and will cease to be a member of the Strategy Committee with effect from the date of the EGM to be convened to approve, among others, the proposed appointment of Dr. Ma Lan as an independent non-executive Director, and (ii) Dr. Ma Lan has been nominated as candidate for appointment as independent non-executive Director of the first session of the Board subject to the approval by the Shareholders at the EGM.

Dr. Lorne Alan Babiuk has confirmed that he has no disagreement with the Board and that there is no other matter in relation to his resignation that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity and gratitude to Dr. Lorne Alan Babiuk for his part contributions and services made to the Company during his term of service.

Particulars of Dr. Ma Lan

Dr. Ma Lan, aged 63, received her PhD degree from the University of North Carolina in 1990 and conducted post-doctoral research at the University of North Carolina from 1991 to 1993 and at the Bayer Pharmaceutical Research Center from 1993 to 1995. She has been the Director of the Center for Pharmacological Research at Fudan University since November 2003, and the Director of the Institute of Brain Science at Fudan University since July 2008, and was elected as an academician of the Chinese Academy of Sciences in November 2019.

An ordinary resolution will be proposed at the EGM for the Shareholders' consideration and approval. If approved by the Shareholders at the EGM, Dr. Ma will form part of the first session of the Board.

The Company will enter into a service contract with Dr. Ma for a term until the end of the first session of the Board. Dr. Ma shall receive RMB300,000 as remuneration for her role as independent non-executive Director.

Saved as disclosed above, as at the date of this announcement, (i) Dr. Ma does not hold any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years or other major appointments and professional qualifications; (ii) Dr. Ma is not related to any Directors, Supervisors, senior management or substantial Shareholders; (iii) Dr. Ma is not interested in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong); or (iv) Dr. Ma does not hold any other position with the Company or other members of the Group.

Saved as disclosed above, as at the date of this announcement, Dr. Ma has confirmed that there are no matters that need to be brought to the attention of the Shareholders and there is no other information in relation to her proposed appointment that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

GENERAL

The Company will, at the EGM and the Class Meetings, seek the Shareholders' approval on: (1) the special resolution on the fulfillment by the Company of the requirements for initial public offering of A Shares and listing on the Sci-Tech Board; (2) the special resolution on the Proposed Issue of A Shares and Listing on the Sci-Tech Board; (3) the special resolution on the investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis; (4) the special resolution on the proposal for accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares; (5) the special resolution on the Company's share price stabilization plan and restraining measures within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board; (6) the special resolution on the three-year dividend distribution plan for shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board; (7) the special resolution on the impact of dilution on immediate return by the Company's initial public offering of A Shares and adoption of recovery measures; (8) the special resolution on the undertakings and restraining measures relating to the Company's Issue of A Shares and listing on the Sci-Tech Board; (9) the special resolution on authorizing the Board of Directors to fully handle matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board; (10) the special resolution on the engagement of intermediaries; (11) the special resolution on the confirmation of the Company's related party transactions in the past three years; (12) the special resolution on the formulation of the amended Articles in respect of the Issue of A Shares that come into effect after the Company's Issue of A Shares and listing on the Sci-Tech Board; (13) the special resolution on the amendments to and/or adoption of each of the "Rules of Procedures for the Meeting of Shareholders", the "Rules of Procedures for the Board of Directors", the "Rules of Procedures for the Supervisory Committee" and the "Terms of Reference for Independent Non-Executive Directors"; and (14) the special resolution on the report on the use of proceeds raised in previous offering. The Company will also, at the EGM, seek the Shareholders' approval on: (15) the ordinary resolution on

uncovered deficit of the Company amounting to one-third of the total share capital; (16) ordinary resolution on the amendments to and/or adoption of each of the “Management Policies for Related (Connected) Transactions”, the “Management Policies for External Guarantees”, the “Management Policies for External Investment”, the “Management Policies for Raised Proceeds”, the “Management Policies on Material Transactions” and the “Management Policies for Funds Transfers with Related Parties”; and (17) the ordinary resolution on the appointment of Dr. Ma Lan as an independent non-executive Director of the Company.

A circular containing, among other things, the above matters, as well as a notice to EGM, notices of the Class Meetings respectively will be despatched to the Shareholders in due course.

There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares will be disclosed by the Company in due course.

DEFINITIONS

“AMD”	age-related macular degeneration, a medical condition characterized by the abnormal growth of blood vessels in the retina
“A Share(s)”	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company proposed to be allotted, issued and listed on the Sci-Tech Board
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of Directors of the Company
“China” or the “PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the regions of Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Class Meetings”	the class meeting of holders of H Shares and the class meeting of holders of Domestic Shares and Unlisted Foreign Shares to be held, the notices of which will be despatched to the Shareholders in due course

“Company”	RemeGen Co., Ltd. (榮昌生物製藥 (煙台) 股份有限公司), a company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9995)
“Controlling Shareholders”	Mr. Wang Weidong (王威東), Dr. Fang Jianmin (房健民), Mr. Lin Jian (林健), Dr. Wang Liqiang (王荔強), Mr. Wang Xudong (王旭東), Mr. Deng Yong (鄧勇), Mr. Xiong Xiaobin (熊曉濱), Mr. Wen Qingkai (溫慶凱), Ms. Yang Minhua (楊敏華), Mr. Wei Jianliang (魏建良), 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
“Core Products”	as defined in the Prospectus
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“DME”	diabetic macular edema, a complication of diabetes caused by fluid accumulation in the macula, or central portion of the eye, that leads the macula to swell
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“DR”	diabetic retinopathy, a complication of diabetes caused by damage to the blood vessels of the light sensitive tissue at the retina
“EGM”	the 2021 second extraordinary general meeting of the Company to be held, the notice of which will be despatched to the Shareholders in due course
“Global Offering”	as defined in the Prospectus
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars and listed on the Stock Exchange

“Hong Kong Dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Proposed Issue of A Shares”, “Issue of A Shares” or “Issue”	the proposed initial public issue of not more than 54,426,301 A Shares, which will be listed on the Sci-Tech Board
“Prospectus”	the prospectus of the Company dated October 28, 2020
“RC Pharma”	Yantai Rongchang Pharmaceutical Co., Ltd. (煙台榮昌製藥股份有限公司), a joint stock company incorporated in the PRC on March 18, 1993
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sci-Tech Board”	the Sci-Tech Innovation Board of the Shanghai Stock Exchange
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Share(s), Unlisted Foreign Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“STI Underwriting Guidelines”	Guidelines on the Issuance and Underwriting of Shares on the Sci-Tech Innovation Board on the Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷業務指引》)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board

“Unlisted Foreign Share(s)” ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each and are held by persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange

“wet AMD” one of two types of age-related macular degeneration, which can lead to sudden and severe vision loss and is the most advanced form of AMD

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

Yantai, The PRC
May 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 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*