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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)

**THE FIRST GRANT OF THE RESTRICTED SHARES
UNDER THE 2023 A SHARE INCENTIVE SCHEME**

The Board is pleased to announce that the conditions for the First Grant are satisfied and it is determined that 1,432,450 Restricted Shares were granted to 24 Incentive Participants on December 28, 2023, at a price of RMB49.77 per A Share.

Reference are made to the following announcements and circular of RemeGen Co., Ltd.* (榮昌生物製藥(煙台)股份有限公司) (the “**Company**”): (i) the announcement dated November 17, 2023, in relation to, among other things, the proposed adoption of the 2023 A Share Incentive Scheme (the “**Scheme**”); (ii) the circular of the EGM and the Class Meetings dated December 12, 2023, in relation to, among other things, the proposed adoption of the Scheme; and (iii) the poll results announcement dated December 28, 2023, in relation to, among other things, the approval on the proposed adoption of the Scheme at the EGM and the Class Meetings. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the above announcements and the circular.

The Board is pleased to announce that the conditions for the First Grant are satisfied and it is determined that 1,432,450 Restricted Shares were granted to 24 Incentive Participants on December 28, 2023, at a price of RMB49.77 per A Share.

I. SATISFACTION OF CONDITIONS OF THE FIRST GRANT

According to the Scheme, the Company shall grant Restricted Shares to the Participants under the First Grant upon satisfaction of all the grant conditions as set forth in the Scheme. It is determined by the Board that the conditions of the First Grant are satisfied according to the relevant laws and regulations and provisions under the Scheme.

II. PARTICULARS OF THE FIRST GRANT

1. Grant Date: December 28, 2023;
2. Number of Restricted Shares granted: 1,432,450 A Shares;
3. Number of Incentive Participants granted: 24 individuals;
4. Grant Price: RMB49.77 per A Share;

Market Price: The closing price of the A Shares of the Company on December 28, 2023 is RMB60.74 per A Share;

5. Source of Restricted Shares: A Shares issued by the Company under the scheme mandate granted at the EGM and Class Meetings;
6. Validity Period and Attribution arrangements:

The Validity Period of the Scheme shall commence on the date of the First Grant and end on the date on which all Restricted Shares granted to the Incentive Participants have been attributed or lapsed. The Validity Period shall not exceed 84 months.

- (I) The Restricted Shares granted under the Scheme may be attributed in tranches as per the agreed proportions upon the Incentive Participants satisfying the corresponding Attribution Conditions. The Attribution Date must be a trading day, and the period during which Attribution is not permitted under the STAR Market Listing Rules or the Listing Rules is not included.

The Restricted Shares granted to the Incentive Participants shall not be attributed in the following periods:

1. Within sixty (60) days and thirty (30) days prior to the announcement of the annual reports and of the semi-annual reports, respectively, and on the date of the announcement for the Company, or in the event of postponement in publishing the periodic reports for special reasons, thirty (30) days prior to the original announcement date and ending on one day prior to the announcement date;
2. Ten (10) days prior to the release of the Company's quarterly reports, results forecast or preliminary report;
3. From the date of a major event which may have a material impact on the trading price of the Company's securities and derivatives or during the process of decision making until the date of legal disclosure of the same;
4. Other periods stipulated by Shanghai Stock Exchange or the Stock Exchange.

If the relevant regulations of the relevant stock exchanges regarding the Attribution Period change during the Validity Period of the Scheme, the Attribution Date shall comply with the relevant laws, regulations and regulatory documents after the amendment.

(II) The Restricted Shares to be granted under the Scheme shall be attributed in four tranches after 24 months from the Grant Date. The specific Attribution arrangement is as follows:

| Attribution arrangement | Time of Attribution | Percentage of the number of attributive interests to the total number of granted interests |
|--------------------------------|--|---|
| First Attribution Period | From the first trading day after the expiry of 24 months following the Grant Date for corresponding interest until the last trading day within the 36 months following the Grant Date for corresponding interest | 20% |
| Second Attribution Period | From the first trading day after the expiry of 36 months following the Grant Date for corresponding interest until the last trading day within the 48 months following the Grant Date for corresponding interest | 40% |
| Third Attribution Period | From the first trading day after the expiry of 48 months following the Grant Date for corresponding interest until the last trading day within the 60 months following the Grant Date for corresponding interest | 20% |
| Fourth Attribution Period | From the first trading day after the expiry of 60 months following the Grant Date for corresponding interest until the last trading day within the 72 months following the Grant Date for corresponding interest | 20% |

Restricted Shares that are not attributed within the above-mentioned agreed period or that cannot be applied for attribution for that period due to failure to meet the Attribution Conditions shall not be attributed and shall lapse.

Prior to the Attribution, the Restricted Shares granted to the Incentive Participants under the Scheme shall not be transferred or used to guarantee or repay debts. For the Restricted Shares granted to the Incentive Participants but not yet attributed, Shares increased due to capitalisation issue, bonus issue, etc. are also subject to the Attribution Conditions, and shall not be transferred or used to guarantee or repay debts. Where the Restricted Shares are not allowed to be attributed at that time, shares obtained for the aforementioned reasons shall also not be attributed.

7. Allocation of Restricted Shares of Incentive Participants

The allocation of the Restricted Shares granted among all Incentive Participants is set out in the table below:

| No. | Name | Nationality | Position(s) | Number of Restricted Shares granted (0'000 shares) | Percentage to the total number of Restricted Shares granted | Percentage to the total shares of the Company as at the Grant Date |
|--|--|-------------|-----------------|---|---|--|
| I. Senior Management | | | | | | |
| 1 | Wen Qingkai | Chinese | Board secretary | 7.9450 | 4.4558% | 0.0146% |
| II. Other Incentive Participants | | | | | | |
| | Other de facto controllers and their spouses, parents, children, or shareholders individually or jointly holding 5% or more of the Company's shares (1 person) | | | 10.0000 | 5.6083% | 0.0184% |
| | Foreign employees (1 person) | | | 93.3000 | 52.3257% | 0.1714% |
| | Other employees who the Board considers necessary to be incentivised (21 persons) | | | 32.0000 | 17.9467% | 0.0588% |
| Total of the First Grant (24 persons) | | | | 143.2450 | 80.3365% | 0.2632% |
| III. Reserved Grant | | | | 35.0612 | 19.6635% | 0.0644% |
| Total | | | | <u>178.3062</u> | <u>100.0000%</u> | <u>0.3276%</u> |

Notes:

1. The number of Shares granted to any one of the above Participants through all effective share schemes of the Company does not exceed 1% of the total shares of the Company as at the Grant Date. As at the Grant Date, the total number of Shares under the Company's effective share schemes does not exceed 20% of the total shares of the Company as at the Grant Date.
2. Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

Two of the Incentive Participants in the First Grant are connected persons of the Company pursuant to Chapter 14A of the Listing Rules (the “**Connected Participants**”). The grant of Restricted Shares to the Connected Participants under the First Grant will constitute fully exempt connected transactions of the Company and will be exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The details of the said Connected Participants and the Restricted Shares granted to them under the First Grant are set out below:

| No. | Name | Reasons for being a connected person | Number of Restricted Shares granted (0'000 shares) | Percentage of the total number of Restricted Shares granted | Percentage to the total shares of the Company as at the Grant Date |
|-----|-------------|--|---|---|--|
| 1 | Wen Qingkai | Board secretary, de facto controller | 7.9450 | 4.4558% | 0.0146% |
| 2 | Wang Yuxiao | Son of Wang Weidong, de facto controller, and shareholder holding more than 5% of the shares | 10.0000 | 5.6083% | 0.0184% |
| | | Total | <u>17.9450</u> | <u>10.0641%</u> | <u>0.0330%</u> |

Note: Any discrepancy arising in the decimal figures between the above total number and the direct summation of breakdown figures is due to the effect of rounded figures.

8. Performance Assessment Requirements

(I) Performance assessment requirements at the Company level

The assessment year of the First Grant is for the four accounting years from 2024 to 2027, and the assessment shall be conducted once in each accounting year. The performance assessment targets for each year are set out in the table below:

| Attribution arrangements | Assessment year | Performance assessment target A 100% of company Attribution | Performance assessment target B 80% of company Attribution | Performance assessment target C 70% of company Attribution |
|---------------------------------|------------------------|--|--|--|
| First Attribution period | 2024 | The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB2 billion. 2. In 2024, 8 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB1.8 billion. 2. In 2024, 7 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. In 2024, the revenue shall not be less than RMB1.7 billion. 2. In 2024, 6 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. |
| Second Attribution period | 2025 | The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB5 billion. 2. From 2024 to 2025, a total of 16 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB4.7 billion. 2. From 2024 to 2025, a total of 14 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. From 2024 to 2025, the cumulative revenue shall not be less than RMB4.4 billion. 2. From 2024 to 2025, a total of 12 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. |

| Attribution arrangements | Assessment year | Performance assessment target A 100% of company Attribution | Performance assessment target B 80% of company Attribution | Performance assessment target C 70% of company Attribution |
|---------------------------|-----------------|---|---|---|
| Third Attribution period | 2026 | The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB9 billion. 2. From 2024 to 2026, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB8.2 billion. 2. From 2024 to 2026, a total of 21 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. From 2024 to 2026, the cumulative revenue shall not be less than RMB7.4 billion. 2. From 2024 to 2026, a total of 18 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. |
| Fourth Attribution period | 2027 | The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB14 billion. 2. From 2024 to 2027, a total of 32 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB13.2 billion. 2. From 2024 to 2027, a total of 28 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. | The Company satisfies any one of the following conditions: 1. From 2024 to 2027, the cumulative revenue shall not be less than RMB12.4 billion. 2. From 2024 to 2027, a total of 24 new clinical trials (including phase I-III clinical trials, subject to the first subject enrolment) shall be initiated. |

Note: The above “revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company.

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not attributed to the Incentive Participants for the current period shall not be attributed or deferred to the next Attribution Period, and shall lapse.

(II) Performance assessment requirements at the Participant’s individual level

According to the Assessment Management Measures, the Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the number of Restricted Shares actually attributed to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into four levels, namely A, B, C and D, and the actual number of Shares to be attributed to the Incentive Participants will be determined according to the proportion of Attribution at the individual level corresponding to the following assessment rating table:

| Assessment results | A | B | C | D |
|------------------------------------|-------------|----------|----------|-----------|
| Individual-level Attribution ratio | <u>100%</u> | | | <u>0%</u> |

The number of Restricted Shares actually attributed to the Incentive Participants in the current year = the number of Restricted Shares planned to be attributed to individuals in the current year × Company-level Attribution ratio × Individual-level Attribution ratio.

If the Restricted Shares attributed to the Incentive Participants for an Attribution period cannot be attributed or cannot be fully attributed due to assessment reasons, the Restricted Shares shall lapse and shall not be deferred to the following years.

The assessments under the Scheme are implemented in accordance with the Assessment Management Measures.

9. Clawback Mechanism

For details of the clawback mechanism in relation to handling unusual changes to the Company or the Incentive Participants under the First Grant, please refer to “Chapter XIII — Handling Unusual Changes to the Company/The Incentive Participants” of Appendix I to the circular of the Company dated December 12, 2023.

10. Shares Available For Future Grant Under the Scheme Mandate Limit

After making the First Grant, the number of shares available for future grant under the Scheme pursuant to the scheme mandate limit will be 350,612 shares.

11. Financial Assistance

The Company or any of its subsidiaries did not provide any financial assistance to the Incentive Participants under the First Grant to facilitate the purchase of Restricted Shares granted under the First Grant.

III. OPINION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

1. The Company is not subject to any circumstances where the implementation of the Scheme is prohibited under the Management Measures or other laws, regulations and normative documents. The Company is qualified to implement the Scheme.
2. The Incentive Participants of the First Grant have satisfied the employment requirements stipulated under the Company Law, the Securities Law and other laws and regulations and normative documents as well as the Articles of Association, have all met the conditions of Incentive Participants under the Scheme and have met the scope of the Incentive participants under the Scheme. The Incentive Participants under the First Grant are legally and validly qualified.
3. The First Grant is set by the Board to take place on December 28, 2023. Such Grant Date satisfied the requirements of a Grant Date as set out in the Management Measures, other laws and regulations and normative documents and the provisions of the Scheme.
4. The Company did not provide any loans, guarantee for loans or other financial support schemes or arrangements to the Incentive Participants of the First Grant.
5. The implementation of the Scheme is conducive to further improving the Company's governance structure, establishing and improving the Company's incentive and restraint mechanism, and enhancing the Company's management team and core employees' sense of responsibility and mission to achieve the Company's long-term and healthy development, which is beneficial to the Company's sustainable development, and no circumstances exist that might adversely affect the interests of the Company and all the Shareholders.

In view of the above, the independent non-executive Directors agreed that 1,432,450 Restricted Shares will be granted to 24 Incentive Participants on December 28, 2023 at a price of RMB49.77 per A Share.

IV. OPINION OF THE SUPERVISORY COMMITTEE

Upon verification, the Supervisory Committee is of the view that the Incentive Participants of the First Grant have satisfied the employment requirements stipulated under the Company Law, the Securities Law, and other laws and regulations and normative documents as well as the Articles of Association, have all met the conditions of Incentive Participants under the Management Measures, the STAR Market Listing Rules and other laws and regulations and normative documents, and have all met the scope of Incentive Participants under the Scheme. The list of the Incentive Participants under the First Grant complies with the scope of the Incentive Participants as approved at the EGM and the Class Meetings.

The Supervisory Committee agreed for the First Grant to take place on December 28, 2023, and 1,432,450 Restricted Shares will be granted to 24 Incentive Participants on such date at a price of RMB49.77 per A Share.

V. IMPACT OF THE FIRST GRANT ON THE FINANCIAL POSITION OF THE COMPANY

According to the requirements of the PRC Accounting Standards, the impact of the Restricted Shares under the First Grant of the Incentive Scheme on the accounting costs for each period is as follows:

| Number of Restricted Shares under the First Grant | Total costs to be amortised | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>(0'000 shares)</i> | <i>(RMB0'000)</i> | <i>(RMB0'000)</i> | <i>(RMB0'000)</i> | <i>(RMB0'000)</i> | <i>(RMB0'000)</i> | <i>(RMB0'000)</i> | <i>(RMB0'000)</i> |
| 143.245 | 3,285.32 | 10.95 | 1,018.06 | 1,015.22 | 749.32 | 336.41 | 155.37 |

Notes:

1. The above calculation results do not represent the final accounting costs. The actual accounting costs are related to the Grant Date, the Grant Price and the number of Restricted Shares attributed. If an Incentive Participant resigns before Attribution, or fails to meet the corresponding standards of the performance assessment of the Company or personal performance assessment, the actual number of shares attributed will be reduced accordingly and thus lower the share payment. Besides, the possible dilutive effects are brought to the attention of shareholders.
2. The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

VI. THE CONCLUSION OF THE LEGAL OPINION

Shanghai Landing Law Offices (上海蘭迪律師事務所) issued legal opinion in relation to the First Grant, the concluding opinion of which is that the Company has obtained the required approval and authorisation in relation to the First Grant at the current stage. The Company is not subject to any circumstances where the First Grant is prohibited. The Incentive Participants under the First Grant are not subject to any circumstances where he/she is not permitted to be granted the Restricted Shares. The conditions of the First Grant are satisfied. The Grant Date, the Incentive Participants, the number of the Restricted Shares granted and the Grant Price etc. under the First Grant comply with the relevant requirements under the Scheme, the Management Measures and other laws and regulations and normative documents, and the Company is still required, among others, to fulfill its disclosure obligations according to the law and complete the relevant registration procedures for the First Grant.

VII. THE OPINION OF THE INDEPENDENT FINANCIAL ADVISOR

Shanghai Realize Enterprise Consulting Services (Group) Co., Ltd.* (上海榮正企業諮詢服務(集團)股份有限公司), the independent financial advisor engaged by the Company for the purposes of the Scheme, issued professional opinion in relation to the First Grant, and concluded that the Company has obtained the required approval and authorisation in relation to the Scheme, and the Company is not subject to any circumstances where the conditions for making the First Grant are not satisfied under the Scheme, and the determination of Grant Date, the Grant Price, the Incentive Participants and the number of Restricted Shares under the First Grant comply with the Management Measures, the STAR Market Listing Rules and the other laws and regulations.

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

Yantai, PRC
December 29, 2023

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