

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of RemeGen Co., Ltd..*



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 ISSUANCE OF A SHARES

PROPOSED ISSUANCE OF A SHARES

The Board is pleased to announce that, on March 29, 2024, the Board passed the resolutions in relation to the proposed issuance of no more than 70,763,170 A Shares (inclusive) to no more than 35 target subscribers (inclusive) within the limit of the General Mandate, and the proceeds are expected to be no more than RMB2,550 million (inclusive). The Proposed Issuance is subject to the approval of the Shareholders at the EGM, the approval of the Shanghai Stock Exchange and the approval of registration by the CSRC.

EGM CIRCULAR

A circular containing, among other things, details of the Proposed Issuance, together with the notice of EGM, will be despatched to the Shareholders in due course.

As the Proposed Issuance is subject to certain conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

I. PROPOSED ISSUANCE OF A SHARES

The principal terms of the Proposed Issuance are as follows:

1. Class and nominal value of Shares to be issued

The Shares to be issued under the Proposed Issuance are RMB denominated ordinary Shares (A Shares) with a nominal value of RMB1.00 each.

2. Method and time of issuance

The Proposed Issuance shall be conducted by way of issuing A Shares to target subscribers. The Company will issue the Shares at an appropriate time within the validity period of the approval for registration document upon obtaining the approval for registration from the CSRC for the Proposed Issuance.

3. Target subscribers and subscription method

The target subscribers of the Proposed Issuance shall be no more than 35 target subscribers (inclusive), including securities investment fund management companies, securities firms, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors, and other legal persons, natural persons and other institutional investors who/which satisfy the requirements of the relevant laws and regulations, that satisfy the requirements of the CSRC. Any securities investment fund management company, securities firm, qualified foreign institutional investor or RMB qualified foreign institutional investor subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers that are trust companies shall only subscribe for the Shares with self-owned funds.

The final target subscribers shall be determined by the Board and its authorized persons after negotiation with the sponsor (the lead underwriter) pursuant to the authorization granted at the EGM together with the results of the price bidding after the Proposed Issuance has been reviewed and approved by the Shanghai Stock Exchange and has been approved for registration by the CSRC. If the laws, regulations or regulatory documents at the time of the Proposed Issuance have other provisions in relation to the target subscribers, such provisions shall be complied with.

All target subscribers of the Proposed Issuance shall subscribe for the Shares to be issued under the Proposed Issuance by cash in RMB at the same price.

4. Number of Shares to be issued

The number of Shares to be issued shall be determined by dividing the total amount of proceeds from the Proposed Issuance by the issue price of the Proposed Issuance, and the number of Shares to be issued under the Proposed Issuance shall not exceed 70,763,170 A Shares (inclusive), which does not exceed 13% of the total share capital of the Company prior to completion of the Proposed Issuance. The final number of Shares to be issued is subject to the maximum number of Shares agreed to be registered by the CSRC. Within the aforesaid range, the final number of Shares to be issued together with the final issue price shall be determined by the Board and its authorized persons after negotiation with the sponsor (the lead underwriter) according to the authorization granted at the EGM.

During the period commencing from the date on which the Board approved the Proposed Issuance to the issuance date, if the Company grants bonus shares, converts capital reserve into registered capital or carries out any other ex-right activities and other events that lead to changes in the total share capital of the Company, the maximum number of Shares to be issued under the Proposed Issuance shall be adjusted accordingly.

If the total number of Shares to be issued to the target subscribers of the Proposed Issuance is adjusted or reduced due to changes in regulatory policies or in accordance with the requirements of the issuance registration documents, the total number of Shares to be issued to target subscribers of the Proposed Issuance and the total amount of proceeds from the Proposed Issuance shall be adjusted or reduced accordingly.

5. Price Determination Date, issue price and pricing principles

The Proposed Issuance shall be conducted by way of price bidding. The Price Determination Date shall be the first day of the issuance period of the Proposed Issuance. The issue price of the Proposed Issuance shall not be lower than 80% of the average trading price of the A Shares for the 20 trading days preceding the Price Determination Date (excluding the Price Determination Date) (the “**Minimum Issue Price**”).

Upon obtaining the registration document of the CSRC for the application of the Proposed Issuance, the final issue price under the Proposed Issuance shall be determined by the Board and its authorized persons with the sponsor (the lead underwriter) pursuant to the authorization granted at the EGM in accordance with the results of the price bidding, the relevant laws and regulations, and the requirements of the regulatory authorities. The final issue price shall not be lower than the Minimum Issue Price.

The average trading price of the A Shares for the 20 trading days preceding the Price Determination Date equals to the total trading value of A Shares for the 20 trading days preceding the Price Determination Date divided by the total trading volume of A Shares for the 20 trading days preceding the Price Determination Date. In the event that there occurs any ex-right or ex-dividend activities causing adjustment to the share price during the 20 -trading-day period, the trading prices for those trading days prior to such adjustment shall be adjusted by the price as adjusted by the ex-right or ex-dividend activities accordingly.

6. Lock-up period

Upon completion of the Proposed Issuance, the Shares to be subscribed by the target subscribers shall be subject to a lock-up period for six months from the date of completion of the Proposed Issuance. After the completion of the Proposed Issuance, any Shares additional to the Shares issued to the target subscribers to be acquired by target subscribers due to, among other things, bonus issue or conversion of capital reserve into registered capital of the Company shall also be subject to the above lock-up arrangement.

After the expiry of the lock-up period, the transfer and trading of the Shares subscribed by the target subscribers in the Proposed Issuance shall be subject to the Company Law, the Securities Law, the STAR Marketing Listing Rules and other relevant laws, regulations and regulatory documents.

7. Amount and use of proceeds

The total proceeds from the Proposed Issuance (including issuance expenses) will not exceed RMB2,550 million (inclusive), and the net proceeds after deducting issuance expenses will be used for the following project:

No. Project	Total investment amount (RMB'0000)	Proposed investment amount from the proceeds (RMB'0000)
1 R&D of innovative drugs	294,645.99	255,000
Total	294,645.99	255,000

Once the proceeds from the Proposed Issuance have been received, if the actual net proceeds are less than the above proposed amount to be invested, the Board and its authorized persons, subject to the compliance with relevant laws and regulations and the scope of the above investment project funded by the proceeds, may adjust and make final determination of the specific investment projects to be invested by utilizing the proceeds, the order of priority, and the specific investment amounts for each project based on the actual circumstances such as the progress of the investment project funded by the proceeds and the capital demand, and will make up for the shortfall by utilizing self-owned funds of the Company or through other financing methods.

To ensure a seamless process of the investment project to be invested by utilizing the proceeds and to protect the interests of all Shareholders as a whole, before the proceeds from the Proposed Issuance are received in full, the Company may first invest with its self-raised funds as required based on the actual circumstances of the investment project to be invested by utilizing the proceeds. Upon receipt of the proceeds, such invested funds shall be replaced by the proceeds in accordance with the requirements under relevant laws and regulations.

If the total amount of proceeds from the Proposed Issuance is adjusted due to changes in regulatory policies or the requirements of issuance registration documents, the use of such proceeds shall be adjusted accordingly.

8. Listing venue of the Shares

The Shares to be issued under the Proposed Issuance shall be listed for trading on the STAR Market.

9. Distribution arrangement of undistributed accumulated prior to the Proposed Issuance

Undistributed profits or unrecovered losses accumulated by the Company prior to the issuance of Shares to the target subscribers shall be shared or borne by the new and existing Shareholders in accordance with their shareholding percentage after the after completion of the issuance of Shares to the target subscribers.

10. Validity period of the resolutions in relation to the Proposed Issuance

The resolutions in relation to the Proposed Issuance shall remain valid for 12 months from the date on which these resolutions are passed at the EGM.

The total number of Shares to be issued under the Proposed Issuance shall not exceed 20% of the total number of A Shares in issue on the date of 2022 AGM (being 70,936,352 A Shares). If the approval, permission or registration of regulatory authorities for the Proposed Issuance is not obtained before the expiry of the General Mandate, the Proposed Issuance may still proceed within the limit of the general mandate for the next year, provided that the total number of Shares to be issued under the Proposed Issuance shall not exceed the limit of the general mandate as approved at the 2023 AGM, and the Company is not required to convene another general meeting or class meeting in respect of the limit of the general mandate and reconsider matters in relation to the Proposed Issuance.

II. GENERAL MANDATE

The A Shares to be issued under the Proposed Issuance shall be issued by the Company pursuant to the General Mandate. The Board was authorized to allot, issue and deal with up to 20% of the A Shares in issue on the date of the 2022 AGM (being 70,936,352 A Shares). As at the date of this announcement, no A Share was issued by the Company under the General Mandate.

III. CONDITIONS PRECEDENT OF THE PROPOSED ISSUANCE

The Proposed Issuance is subject to (i) the approval of the Shareholders at the EGM; (ii) the approval of the Shanghai Stock Exchange; and (iii) the approval of registration from the CSRC.

IV. EFFECT OF THE PROPOSED ISSUANCE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total number of issued Shares is 544,332,083 Shares, which comprises 189,581,239 H Shares and 354,750,844 A Shares. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Proposed Issuance (assuming that (a) the maximum amount of 70,763,170 A Shares is issued; and (b) there is no change in the total number of issued Shares during the period from the date of this announcement to the date of completion of the Proposed Issuance, save for the Proposed Issuance) is as follows:

	As at the date of this announcement			Immediately after completion of the Proposed Issuance		
	Number of Shares	Approximate percentage in the relevant class of Shares	Approximate percentage of the total Shares in issue	Number of Shares	Approximate percentage in the relevant class of Shares	Approximate percentage of the total Shares in issue
A SHARES						
Concert Parties	193,002,583	54.41%	35.46%	193,002,583	45.36%	31.38%
Other holders of A Shares	161,748,261	45.59%	29.71%	161,748,261	38.01%	26.30%
Target subscribers of A Shares to be issued under the Proposed Issuance	0	0.00%	0.00%	70,763,170	16.63%	11.50%
Total issued A Shares	<u>354,750,844</u>	<u>100.00%</u>	<u>65.17%</u>	<u>425,514,014</u>	<u>100.00%</u>	<u>69.18%</u>
H SHARES						
Concert Parties	25,229,041	13.31%	4.63%	25,229,041	13.31%	4.10%
Other holders of H Shares	164,352,198	86.69%	30.19%	164,352,198	86.69%	26.72%
Total issued H Shares	<u>189,581,239</u>	<u>100.00%</u>	<u>34.83%</u>	<u>189,581,239</u>	<u>100.00%</u>	<u>30.82%</u>
TOTAL ISSUED SHARES	<u>544,332,083</u>	<u>-</u>	<u>100.00%</u>	<u>615,095,253</u>	<u>-</u>	<u>100.00%</u>

Note:

- (1) Certain figures included in the above table have been rounded to two decimal places. Any discrepancies between the total shown and the sum of the amount listed are due to rounding.

It is expected there will be no change in control of the Company upon completion of the Proposed Issuance.

V. FUND RAISING ACTIVITIES WITHIN THE PAST 12 MONTHS

The Company did not conduct any fund raising activities involving the issue of equity securities within 12 months immediately prior to the date of this announcement.

VI. REASONS AND BENEFITS FOR THE PROPOSED ISSUANCE

As a fully-integrated biopharmaceutical company, the Company is 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. The projects funded by the proceeds involved in the Proposed Issuance will accelerate the Company's R&D progress for innovative drugs, increase the synergies between pre-clinical research and clinical research of the Company, expand the depth and breadth of research and development of self-developed products, lay the foundation for the commercialization of more products and through the Proposed Issuance, utilize the capital market platform to enhance capital strength and ease liquidity pressure, improve anti-risk capability.

Having taken into account the above reasons and benefits, the Directors (including independent non-executive Directors) are of the view that the Proposed Issuance is in the interests of the Company and Shareholders as a whole.

VII. EGM

The Company will convene the EGM for considering and, if thought fit, approving, among other things, the Proposed Issuance. A circular containing, among other things, the details of the Proposed Issuance, together with the notice of EGM, will be despatched to the Shareholders in due course.

As the Proposed Issuance is subject to certain conditions precedents, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement have the following meanings:

“2022 AGM”	the annual general meeting of the Company held on June 9, 2023, at which the Shareholders granted, among other things, the General Mandate
------------	--

“2023 AGM”	the annual general meeting of the Company to be held in respect of the year ended December 31, 2023
“A Share(s)”	ordinary Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in RMB and are listed on the STAR Market
“Board”	the board of Directors
“Company”	RemeGen Co., Ltd.* 榮昌生物製藥(煙台)股份有限公司, a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 9995) and the Shanghai Stock Exchange (stock code: 688331), respectively
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》)
“Concert Parties”	unless the context otherwise requires, refers to 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, and each of them, a “Concert Party”
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be held by the Company, at which, among other things, the resolutions in relation to the Proposed Issuance will be submitted to the Shareholders for consideration and, if thought fit, approval

“General Mandate”	the general mandate granted by the Shareholders at the 2022 AGM to authorize the Board to allot, issue and deal with A Shares not exceeding 20% of the Company’s A Shares in issue on the date of the 2022 AGM (being 70,936,352 A Shares)
“Group”	the Company and its subsidiaries
“H Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the Main Board of the Hong Kong Stock Exchange
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Minimum Issue Price”	has the meaning ascribed to it under the section headed “I. PROPOSED ISSUANCE OF A SHARES – 5. Price Determination Date, issue price and pricing principles” in this announcement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Price Determination Date”	the price determination date for the Proposed Issuance
“Proposed Issuance”	the proposed issuance of no more than 70,763,170 A Shares to no more than 35 target subscribers (inclusive) within the limit of the General Mandate, and the proceeds are expected to be no more than RMB2,550 million (inclusive)
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》)
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)

“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and A Shares
“Shareholder(s)”	holder(s) of Share(s)
“STAR Market”	the STAR Market of the Shanghai Stock Exchange (上海證券交易所科創板)
“STAR Market Listing Rules”	the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange
“%”	per cent.

By Order of the Board
RemeGen Co., Ltd.*
榮昌生物製藥(煙台)股份有限公司
Mr. Wang Weidong
Chairman and executive Director

Yantai, the PRC
April 1, 2024

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