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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2022, together with the comparative figures for the same period in 2021.

BUSINESS HIGHLIGHTS

During the Reporting Period, we have made significant progress in advancing our commercialization, product pipeline as well as business operations:

- The revenue of the Group for the six months ended June 30, 2022 was approximately RMB348.8 million, representing an increase of 1,094.8% from RMB29.2 million for the same period last year, with strong growth in sales revenue and sales volume of its commercialized products, telitacicept (RC18, brand name: 泰爱®) and disitamab vedotin (RC48, brand name: 爱地希®).

- The Company completed the Phase II clinical study of telitacicept to treat myasthenia gravis (MG) in February 2022 in China and plans to conduct further clinical studies for this indication.

- The application for investigational new drug (IND) of the product of the Company, telitacicept, for the treatment of childhood systemic lupus erythematosus (cSLE) was approved by the Center for Drug Evaluation (CDE) of the NMPA for clinical trials in April 2022.

- The Company also launched a Phase III clinical study of telitacicept in the treatment of systemic lupus erythematosus (SLE) in the United States in the first half of 2022, and has achieved the first patient enrollment.

- The Company has submitted an application for communication of the Phase III clinical trial protocol of telitacicept in the treatment of Immunoglobulin A Nephropathy (IgAN) to the Center for Drug Evaluation (CDE) of the NMPA in June 2022.

– The Company has initiated the discussions with the Center for Drug Evaluation (CDE) of the NMPA in June 2022 regarding the Phase III clinical trial protocol of telitacicept in the treatment of primary Sjögren's Syndrome (pSS).

– The application for investigational new drug (IND) of the product of the Company for the treatment of perioperative muscle-invasive bladder cancer (MIBC) with disitamab vedotin in combination with toripalimab injection (brand name: 拓益®) was approved by the Center for Drug Evaluation (CDE) of the NMPA for clinical trials in February 2022. We expect to start the clinical study within the year.

– The application for investigational new drug (IND) for the treatment of HER2-expressing locally advanced or metastatic gastric cancer (including gastroesophageal junction (GEJ) adenocarcinoma) with disitamab vedotin in combination with RC98 for injection was approved by the Center for Drug Evaluation (CDE) of the NMPA for clinical trials in April 2022.

– The application for investigational new drug (IND) for the treatment of HER2-expressing locally advanced or metastatic solid tumors with disitamab vedotin in combination with RC98 for injection was approved by the Center for Drug Evaluation (CDE) of the NMPA for clinical trials in June 2022.

– Disitamab vedotin has been officially included in the class II recommendation of 2022 Chinese Society of Clinical Oncology (CSCO) Guidelines for third-line treatment of HER2-expressing advanced metastatic gastric cancer in April 2022.

– The Company completed the A Share Offering and the A shares were listed and commenced trading on the Science and Technology Innovation Board of the Shanghai Stock Exchange on March 31, 2022.

Subsequent to the Reporting Period, the application for investigational new drug (IND) of the product of the Company, telitacicept, for the treatment of lupus nephritis was officially accepted by the Center for Drug Evaluation (CDE) of the NMPA in July 2022.

FINANCIAL HIGHLIGHTS

– For the six months ended June 30, 2022, the Group's revenue was approximately RMB348.8 million and its gross profit was approximately RMB181.3 million.

– Bank balances and cash amounted to approximately RMB2,590.0 million as of June 30, 2022.

– The Group incurred total expenses of approximately RMB706.6 million for the six months ended June 30, 2022, of which approximately RMB449.7 million was research and development expenses.

- The research and development expenses increased by approximately RMB123.1 million, or approximately 37.7%, to approximately RMB449.7 million.
- The loss before tax increased by approximately RMB45.1 million, or approximately 10.2%, to approximately RMB489.1 million.
- Loss for the period increased by approximately RMB45.1 million, or approximately 10.2%, to approximately RMB489.1 million.
- The adjusted net loss* increased by approximately RMB43.6 million, or approximately 10.0%, to approximately RMB477.5 million.

* Adjusted net loss is not a financial measurement as defined under IFRS, but a financial measurement after deducting loss before tax for the period and adding back share-based payments.

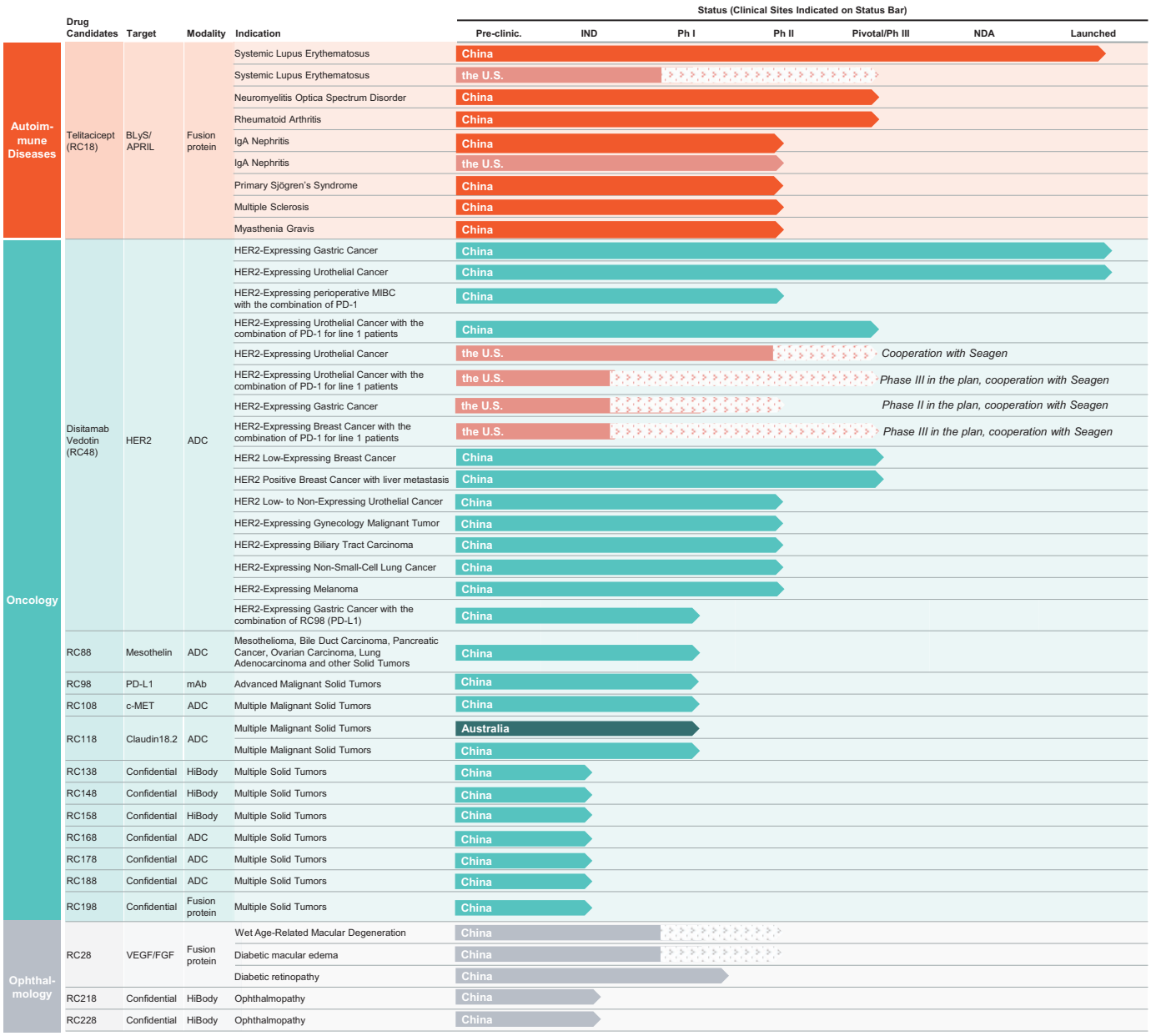
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a fully-integrated biopharmaceutical company committed to the discovery, development and commercialization of innovative and differentiated biologics for the treatment of autoimmune, oncology and ophthalmic diseases with unmet medical needs in China and globally. Our vision is to become a leading player in the global biopharmaceutical industry. We are one of the few Chinese biotechnology enterprises that have two commercialized products. Since our inception in 2008, we have been dedicated to the research and development of biologics with novel targets, innovative design and breakthrough potential to address global unmet clinical needs. Through more than ten years of efforts, we have built fully-integrated, end-to-end therapeutics development capabilities encompassing all the key biologic drug development functionalities, including discovery, preclinical pharmacology, process and quality development, clinical development, and manufacturing in compliance with global good manufacturing practice (GMP). Leveraging our strong research and development platforms, we have discovered and developed a robust pipeline of more than ten drug candidates. Among our drug candidates, seven are in clinical development stage targeting over twenty indications. Two of our commercialization-stage drugs, telitacicept (RC18, Brand Name: 泰爱®) and disitamab vedotin (RC48, Brand Name: 爱地希®), are in clinical trials targeting fourteen indications in China and the United States.

RICH PRODUCT PIPELINE

The following chart illustrates our pipeline and summarizes the development status of our clinical-stage drug candidates and selected IND-enabling stage candidates as of June 30, 2022:



BUSINESS REVIEW

During the Reporting Period and up to the date of this announcement, the Group has made the following significant progress:

Telitacicept (RC18)

– Telitacicept is our proprietary novel fusion protein for treating autoimmune diseases. It is constructed with the extracellular domain of the human transmembrane activator and calcium modulator and cyclophilin ligand interactor (TACI) receptor and the fragment crystallizable (Fc) domain of human immunoglobulin G (IgG). Telitacicept targets two cell-signaling molecules critical for B-lymphocyte development: B-cell lymphocyte stimulator (BLyS) and a proliferation inducing ligand (APRIL), which allows it to effectively reduce B-cell mediated autoimmune responses that are implicated in several autoimmune diseases.

– We are currently evaluating telitacicept in late-stage clinical trials in order to explore its potential to address seven autoimmune diseases, in an attempt to address the significant unmet or underserved medical needs in this therapeutic area.

  o Systemic lupus erythematosus (SLE)

    ■ *China:* On March 9, 2021, telitacicept was granted a conditional marketing approval by the NMPA for moderate-to-severe SLE with poor response to standard therapy. Based on the completed Phase IIb registrational clinical trial in China, we have initiated a Phase III confirmatory clinical trial in China in July 2019. The follow-up ended in the first half of 2022. Relevant clinical study results are expected to be available before the end of 2022.

    ■ *China:* The application for investigational new drug (IND) of telitacicept for the treatment of childhood systemic lupus erythematosus (cSLE) was approved by the Center for Drug Evaluation (CDE) of the NMPA for clinical trials in April 2022. We expect to conduct the clinical study in China.

    ■ *United States:* The U.S. Food and Drug Administration (FDA) has approved our Phase II investigational new drug (IND) application for telitacicept in August 2019. We held an end-of-Phase II clinical meeting with the FDA in January 2020 at which the FDA reviewed the drug candidate's positive data from our trials in China and discussed the design for the Phase III clinical trial. Based on this meeting, the FDA allowed us to conduct the Phase III clinical study of telitacicept for the treatment of SLE in the United States. In April 2020, the FDA granted fast track designation to telitacicept, which could expedite the review and potential approval process with the FDA. In the first half of 2022, we have initiated this global multi-center Phase III clinical study in the United States.

- Immunoglobulin A Nephropathy (IgAN)

  - *China:* We have completed a randomized, double-blind and placebo-controlled Phase II clinical trial to evaluate the efficacy and safety of telitacicept in patients with IgAN and have obtained positive results. We have submitted an application for communication of the Phase III clinical trial protocol of telitacicept in the treatment of IgAN to the CDE in June 2022, and plan to conduct further clinical trials in China.

  - *United States:* The FDA approved a Phase II clinical trial of telitacicept in the United States for IgAN indications in December 2020, with a planned enrollment of approximately 30 patients. We have enrolled 10 patients in the United States as of June 30, 2022.

- Primary Sjögren's Syndrome (pSS): We have completed a Phase II clinical trial in China for the treatment of primary Sjögren's Syndrome and have obtained positive results. In June 2022, we have conducted a communication meeting with CDE regarding the Phase III clinical protocol of telitacicept in the treatment of pSS and plan to conduct further clinical trials in China.

- Neuromyelitis optica spectrum disorder (NMOSD): We are conducting a randomized, double-blind and placebo-controlled Phase III clinical trial to evaluate the efficacy and safety of telitacicept for the treatment of NMOSD in China. We initiated the Phase III clinical trial in September 2017 and enrolled the first patient in January 2018. We have enrolled 133 patients as of June 30, 2022.

- Rheumatoid arthritis (RA): We are conducting a multi-center, double-blind and placebo-controlled Phase III clinical trial in China. As of the end of 2021, we have completed patient enrollment and expect to complete the follow-up by the end of 2022.

- Myasthenia gravis (MG): As of June 30, 2022, we have completed a randomized and open-label Phase II clinical trial in China and have obtained positive results. We plan to conduct further relevant clinical trials in China.

- Other indications: In addition to the indications described above, we are also evaluating telitacicept for other autoimmune diseases, namely multiple sclerosis (MS). We have enrolled 6 patients in Phase II clinical trial of multiple sclerosis as of June 30, 2022.

– Leveraging our experience in developing telitacicept for SLE globally, we will continue to explore the global path of approval and commercialization for the treatment of other autoimmune diseases. We intend to prioritize indications with high unmet medical needs and sizeable addressable patient population in the global market, such as IgAN and primary Sjögren's syndrome (pSS), or indications for which telitacicept has the potential to be the first biologic therapy.

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the telitacicept (RC18) (for the treatment of other indications) will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Disitamab vedotin (RC48)

– Disitamab vedotin is our leading antibody-drug conjugate (ADC) product candidate and is the first ADC in China to have received IND approval for clinical trials. Disitamab vedotin is a novel ADC independently developed by us to treat human epidermal growth factor receptor 2 (HER2) expressing (including low-expressing) solid tumors. Disitamab vedotin is currently being studied in multiple late-stage clinical trials in China across a variety of solid tumor types. In the clinical trials in China, disitamab vedotin has demonstrated promising efficacy in patients with HER2-expressing advanced or metastatic gastric cancer (GC) and urothelial cancer (UC), and has also proved its potential as treatment for HER2-expressing (including low-expressing) breast cancer (BC).

– We have been developing disitamab vedotin for a variety of HER2-expressing cancer types. Currently, we are strategically focused on clinical investigation of disitamab vedotin for GC, UC and BC in China, which suggest particularly significant unmet medical needs. We are also exploring the efficacy of disitamab vedotin in other prevalent cancer types with HER2 expression, such as non-small cell lung cancer (NSCLC), biliary tract cancer (BTC), gynecology malignant tumor and advanced melanoma.

  o GC

    ■ We were granted conditional marketing approval by the NMPA on June 9, 2021. In December of the same year, it was included in the updated National Reimbursement Drug List. Based on the completed Phase II clinical trial in China, we have initiated a Phase III confirmatory clinical trial in China in October 2020, with a planned enrollment of 351 patients. We have enrolled 87 patients in the Phase III confirmatory clinical trial as of June 30, 2022.

    ■ In addition, we are exploring the clinical possibility of disitamab vedotin in combination with RC98 (PD-L1 antibody) in the treatment of HER2-expressing locally advanced or metastatic gastric cancer (including gastroesophageal junction (GEJ) adenocarcinoma). Our application for investigational new drug (IND) related thereto was approved by the Center for Drug Evaluation (CDE) of the NMPA in April 2022.

  o UC

    ■ We completed a Phase II clinical trial of disitamab vedotin in patients with HER2 over-expressing (IHC 2+ or IHC 3+) UC in China. Based on the positive clinical results of this Phase II clinical trial and after communicating with the NMPA, we initiated a multi-center, single-arm and open-label Phase II registrational clinical trial. In December 2020, we received the Breakthrough Therapy Designation from the NMPA for the treatment of UC. In September 2021, we were granted fast track designation by the NMPA for the treatment of UC. In December 2021, we received marketing approval for this indication.

    ■ In addition, as promising efficacy of disitamab vedotin was observed in patients with lower-level expression of HER2, in June 2019, we initiated a single-center, single-arm and open-label Phase II clinical study to evaluate the efficacy and safety of disitamab vedotin for the treatment of HER2-negative (IHC 1+ or IHC 0) locally advanced or metastatic urothelial cancer. Approximately 18 patients are planned to be enrolled in this trial and patients enrollment has been finished in July 2021.

- We are currently exploring the clinical possibility of disitamab vedotin in combination with PD-1 antibody in the treatment of HER2-expressing UC. The IND application for Phase II clinical study for disitamab vedotin in combination with toripalimab injection (brand name: 拓益®) to treat perioperative muscle-invasive bladder cancer (MIBC) was approved by the NMPA in February 2022. We are currently conducting this clinical trial in China. We have enrolled 2 patients as of June 30, 2022.

- We are conducting a randomized, controlled and multi-center Phase III clinical trial in China to compare the efficacy of disitamab vedotin in combination with toripalimab injection (brand name: 拓益®) with gemcitabine in combination with cisplatin/carboplatin for the treatment of HER2-expressing locally advanced or metastatic urothelial cancer without previous systemic chemotherapy. 452 patients are planned to be enrolled in this trial. We have enrolled 6 patients as of June 30, 2022.

o BC:

- On June 28, 2021, the NMPA granted the Company the Breakthrough Therapy Designation for disitamab vedotin in the treatment of patients with HER2-positive advanced breast cancer with liver metastases who had previously received trastuzumab and taxane therapy. The Company is conducting the Phase III clinical trial in China. We have enrolled 56 patients as of June 30, 2022.

- As we have observed preliminary efficacy of disitamab vedotin in patients with low-level HER2 expression, we have initiated the Phase III clinical trial in patients with HER2 low-expressing (IHC 2+ and FISH–) BC. As of June 30, 2022, we had enrolled 212 patients.

o NSCLC: We are conducting an open-label Phase Ib trial to evaluate disitamab vedotin as monotherapy for the treatment of HER2 over-expressing (IHC 2+ or IHC 3+) or HER2 mutant NSCLC in China. We have enrolled 37 patients as of June 30, 2022.

o BTC: We are conducting a multi-center, single-arm and open-label Phase II trial to evaluate disitamab vedotin as monotherapy in the patients with HER2 over-expressing (IHC 2+ or IHC 3+) BTC post to the failure of first-line chemotherapy in China. We have enrolled 28 patients in this trial as of June 30, 2022.

o Gynecology malignant tumor: We initiated an open, multi-cohort and multi-center Phase II basket design clinical study at the end of 2021 in China, enrolling patients with HER2-expressing gynecology malignant tumor in four cohorts including cervical cancer, ovarian epithelial cancer, fallopian tube cancer and primary peritoneal cancer, endometrial cancer and other gynecology malignant tumors to evaluate the efficacy of disitamab vedotin in treating patients with HER2-expressing gynecology malignant tumor. We have enrolled 32 patients as of June 30, 2022.

o Advanced melanoma: We initiated a single-arm, open and single-center Phase IIa clinical study in May 2022 in China to evaluate the efficacy of disitamab vedotin in the treatment of HER2-expressing advanced melanoma that has failed standard therapy, except in patients with uveal melanoma as a primary cause. We have enrolled our first patient as of June 30, 2022.

- In addition, we are exploring the clinical possibility of the combination of disitamab vedotin and RC98 (PD -L1 antibody) to treat HER2-expressing locally advanced or metastatic solid tumors. Our application for investigational new drug (IND) related thereto was approved by the Center for Drug Evaluation (CDE) of the NMPA in June 2022.

– We entered into an exclusive worldwide license agreement with Seagen Inc. ("Seagen") in August 2021 to develop and commercialize disitamab vedotin. According to the license agreement, Seagen has been granted an exclusive license to develop and commercialize disitamab vedotin in global regions excluding Asia (Japan and Singapore excluded). We received an upfront payment of USD200 million in October 2021. Under the agreement, we will receive additional milestone payments of up to USD2.4 billion thereafter and the royalties amounting to a high single-digit to mid-teens of future cumulative net sales as Seagen subsequently continues global development and commercialization of disitamab vedotin.

  - UC: Seagen has conducted an international multi-center and open-label Phase II pivotal clinical trial in the United States in the first half of 2022 to evaluate the efficacy of disitamab vedotin in the treatment of patients with HER2-expressing UC post to the failure of first-line chemotherapy.

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the disitamab vedotin (RC48) (for the treatment of other indications) will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

RC28

– RC28 is an innovative fusion protein targeting both vascular endothelial growth factor (VEGF) and fibroblast growth factor (FGF). We are evaluating, and plan to evaluate, RC28 in clinical studies for several ophthalmic diseases, including wet age-related macular degeneration (wAMD), diabetic macular edema (DME) and diabetic retinopathy (DR). In the Phase I clinical trial, no safety concerns were detected for up to 2.0 mg injection of RC28 in wAMD patients.

  - wAMD: Currently, we are conducting an open-label and single-arm Phase Ib dose-expansion trial to evaluate the efficacy and safety of RC28 in the treatment of the patients with wAMD. As of 31 December 2021, we have completed patient enrollment and have enrolled 37 patients in this trial.

  - DME: We are currently conducting a multi-center, randomized and active-controlled Phase II clinical trial in China. As of June 30, 2022, we had enrolled 148 patients.

  - DR: We are currently conducting a multi-center, randomized and active-controlled Phase II clinical trial in China. As of June 30, 2022, we had enrolled 44 patients.

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the RC28 will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Other Clinical-stage Drug Candidates

- RC88 is a novel mesothelin-targeting ADC we developed for the treatment of solid tumors. It is currently in a Phase I clinical trial in patients with multiple advanced solid tumors, with a particular focus on pancreatic cancer, mesothelioma, bile duct carcinoma, ovarian carcinoma, gastric cancer, triple-negative breast cancer and lung adenocarcinoma. We have enrolled 49 patients as of June 30, 2022.

- RC98 is an innovative PD-L1 monoclonal antibody we developed for the treatment of solid tumors. We obtained the IND approval for RC98 from the NMPA in July 2019 and we have initiated a Phase I clinical trial in patients with multiple advanced solid tumors, including but not limited to lung cancer and urothelial cancer. We have enrolled 49 patients as of June 30, 2022.

- RC108 is our third ADC product developed in-house that has entered into clinical research stage. It is a c-Met-targeted positive advanced solid tumors. c-Met is a receptor tyrosine kinase that, after binding with its ligand hepatocyte growth factor, activates a wide range of different cellular signaling pathways, including those involved in proliferation, motility, migration and invasion. c-Met is a well-characterized oncogene that is associated with poor prognosis in many solid tumor types. We have obtained clinical trail approval for this product by the NMPA in November 2020. Currently, we have initiated the Phase I clinical trial for c-Met positive advanced solid tumors in China. We have enrolled 16 patients as of June 30, 2022.

- RC118 is the fourth ADC product that has entered into clinical research stage, and it targets Claudin 18.2-positive locally advanced unresectable or metastatic malignant solid tumors. It is composed of a recombinant humanized anti-Claudin18.2 monoclonal antibody and monomethyl auristatin E (MMAE), a potent tubulin binder with a maximal inhibitory concentration (IC_{50}) in the subnanomolar range, as the cytotoxic payload, are conjugated to each other through a cathepsin cleavable linker, with optimized drug-antibody ratio.

  - *Australia:* In July 2021, we obtained the ethical approval from the Australian Human Research Ethics Committee for the Phase I clinical trial of the antibody drug conjugate (ADC) RC118. Currently, we are conducting a Phase I clinical trial in patients with Claudin18.2-positive locally advanced unresectable or metastatic malignant solid tumors in Australia. The clinical study site in Australia was officially launched in November 2021. As of June 30, 2022, we have enrolled 4 patients, and the ramp-up for the first and second dose groups had been completed, with the ramp-up for the third dose group being underway.

  - *China:* In September 2021, the Phase I clinical trial license for RC118 was obtained from the NMPA. We are conducting a Phase I clinical trial in patients with Claudin18.2-positive locally advanced unresectable or metastatic malignant solid tumors in China. We have enrolled 5 patients as of June 30, 2022.

- **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the RC88, RC98, RC108, RC118, RC138, RC148, RC158, RC168, RC178, RC188, RC198, RC218 or RC228 will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Commercialization of Product Mix

We have established our sales and marketing department dedicated to the commercialization of our pipeline products. According to the indications of our products, we have established two independent commercialization teams in the areas of autoimmune diseases and oncology.

As of June 30, 2022, our commercialization team for autoimmune diseases consists of 241 members with rich experience in the commercialization of autoimmune therapeutic drugs.

As the first innovative dual-target biologics for SLE treatment in the world, telitacicept was approved for marketing by the NMPA in March 2021, and entered into sales. This product was included in the updated National Reimbursement Drug List for the treatment of SLE in December 2021. In the first half of 2022, the commercialization team has covered 1,021 hospitals in 241 prefecture-level cities of 31 provincial administrative units across China. As of June 30, 2022, the commercialization team for autoimmune diseases has been admitted to 337 hospitals and 717 dual-channel pharmacies. We plan to continue to expand this team in 2022.

As of June 30, 2022, our commercialization team for oncology diseases consists of 291 members with rich experience in the commercialization of oncology therapeutic drugs. Disitamab vedotin was approved for marketing on June 9, 2021, and entered into sales in July 2021. This product for the treatment of HER2-expressing locally advanced or metastatic gastric cancer (GC) was included in the updated National Reimbursement Drug List in December 2021. In the first half of 2022, the commercialization team has covered 887 hospitals in 185 prefecture-level cities of 29 provincial administrative units across China. As of June 30, 2022, the commercialization team for oncology diseases has been admitted to 340 hospitals. We plan to continue to expand this team in 2022.

Leveraging the expertise and industry connections of our team, and the significantly increased accessibility of two Core Products after being included in National Reimbursement Drug List, we further market the products primarily through a physician-targeted marketing strategy, and further communicate and interact directly with key opinion leaders and physicians in the respective therapeutic areas to perform well in differentiated positioning and promotion of our products. In addition, we will utilize the existing clinical data to expand the promotion in the departments with approved indications and carry out extensive promotion work in departments with other indications.

KEY EVENTS AFTER THE REPORTING PERIOD

The application for investigational new drug (IND) of the product of the Company, telitacicept, for the treatment of lupus nephritis was officially accepted by the Center for Drug Evaluation (CDE) of the NMPA in July 2022.

THE IMPACT OF COVID-19

The management of the Company expected that clinical trials in and outside mainland China will not be significantly affected by the outbreak of COVID-19. The Directors believe that, based on the information available as of the date of this announcement, the outbreak of COVID-19 would not result in a material disruption to the Group's business operations or a material impact on the financial position or financial performance of the Group. Due to the outbreak of COVID-19, we have taken various measures, including but not limited to reducing face-to-face meetings by means of telephone or video conferences, avoiding unnecessary travels and trips for interviews as well as providing face masks, hand sanitizers and other sanitation supplies in offices and production sites.

FUTURE DEVELOPMENT

The Company is committed to becoming China's leading and world-class biopharmaceutical company to discover, develop, manufacture and commercialize first-in-class and best-in-class biopharmaceuticals to create clinical value, maximize shareholder benefits and provide patients with high-quality drugs to address unmet significant clinical needs worldwide in the major therapeutic areas of autoimmune diseases, oncology and ophthalmology.

Looking forward to the second half of 2022, we will continue to endeavor to commercialize telitacicept and disitamab vedotin and further actively expand the market in China. At the same time, we will continue to accelerate the applications and clinical trials for the expansion of the indications of pipeline products.

On the international front, we will further step up our efforts for expansion in the international market, and continue to quickly advance and initiate clinical studies of our Core Products in the international market. We are conducting an international multi-center phase III clinical trial of telitacicept for the treatment of SLE indications and a phase II clinical trial for the treatment of IgAN in the United States. With regards to disitamab vedotin, we will continue to work with Seagen to further support its global clinical trials.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from RMB29.2 million for the six months ended June 30, 2021 to RMB348.8 million for the six months ended June 30, 2022. The increase was mainly because following telitacicept being approved for conditional marketing by the NMPA in March 2021 and becoming commercially available and disitamab vedotin being approved for conditional marketing on June 9, 2021 and becoming commercially available in July 2021, our product sales revenue increased, and technology licensing revenue from Seagen increased.

Other Income and Gains

The Group's other income and gains primarily consist of interest income, government grants, foreign exchange gain and wealth management income.

Our other income and gains increased from RMB32.5 million for the six months ended June 30, 2021 to RMB53.7 million for the six months ended June 30, 2022, primarily due to the increases in interest income from proceeds from A Share Offering of RMB15.0 million, foreign exchange gain of RMB5.6 million and wealth management income of RMB3.5 million, offset by the decreases in government grants realised of RMB2.6 million compared with the corresponding period of last year and other aggregate effects of RMB0.3 million.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of employee benefits expenses and market development expenses.

Our selling and distribution expenses increased from RMB60.9 million for the six months ended June 30, 2021 to RMB150.0 million for the six months ended June 30, 2022, mainly because following telitacicept being approved for conditional marketing by the NMPA in March 2021 and becoming commercially available and disitamab vedotin being approved for conditional marketing on June 9, 2021 and becoming commercially available in July 2021, we added more sales personnel and carried out various sales activities, resulting in increases in personnel costs, market development expenses, academic promotion fees, etc.

Administrative Expenses

The Group's administrative expenses mainly consist of employee benefits expenses, consulting service expenses, general office expenses, depreciation and amortization expenses and other administrative expenses.

Our administrative expenses increased from RMB98.6 million for the six months ended June 30, 2021 to RMB106.9 million for the six months ended June 30, 2022, primarily due to an increase in general office expenses.

Research and Development Expenses

The Group's research and development expenses consist of employee benefits expenses, expenses for procuring raw materials used in the research and development, clinical trial expenses for drug candidates, testing expenses for pre-clinical programs, depreciation and amortization expenses, utilities used for research and development activities, and other research and development expenses. Our research and development expenses increased from RMB326.6 million for the six months ended June 30, 2021 to RMB449.7 million for the six months ended June 30, 2022. The following table sets forth the components of our research and development expenses for the periods indicated.

	Six months ended June 30,			
	2022		2021	
	RMB'000	***%***	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Employee benefits expenses	**153,040.5**	**34.0**	99,101.2	30.3
Raw material expenses	**63,470.1**	**14.1**	68,642.0	21.0
Clinical trial expenses	**96,753.7**	**21.5**	45,935.5	14.1
Testing expenses	**44,158.6**	**9.8**	36,673.1	11.2
Depreciation and amortization expenses	**47,524.1**	**10.6**	39,821.1	12.2
Utilities	**9,167.0**	**2.0**	9,220.4	2.8
Others	**35,557.8**	**8.0**	27,211.1	8.4
Total	**449,671.8**	**100.0**	326,604.4	100.0

(i) Employee benefits expenses increased by RMB53.9 million, mainly due to an increase in the number of research and development employees and an increase in staff salary level;

(ii) Raw material expenses decreased by RMB5.2 million, mainly because chromatography column, fillers, depth filters and other reusable materials, which have higher unit prices, for RC28, RC48, RC148 and other projects were input on a one-off basis in the corresponding period of last year, leading to higher expenses for materials in such period;

(iii) Clinical trial expenses increased by RMB50.8 million, mainly due to the continuous clinical development of drug candidates;

(iv) Testing expenses increased by RMB7.5 million, mainly due to the continuous development of drug candidates;

(v) Depreciation and amortization expenses increased by RMB7.7 million, mainly due to an increase of depreciation expenses arising from the capital transfer of Block K of antibody building at the end of 2021;

(vi) Other expenses increased by RMB8.4 million, mainly due to an increase of technical service fee for contracted cooperative development of new targets during the period.

Net Impairment Losses on Financial Assets

The Group's net impairment losses on financial assets mainly consist of the impairment losses in relation to other receivables and receivables. For the six months ended June 30, 2021, we provided impairment losses on financial assets of RMB0.2 million, while we provided impairment losses on financial assets of RMB5.6 million for the six months ended June 30, 2022, which was mainly because following telitacicept being approved for conditional marketing by the NMPA in March 2021 and becoming commercially available and disitamab vedotin being approved for conditional marketing on June 9, 2021 and becoming commercially available in July 2021, our provision for impairment losses increased with the increase in trade receivables for sales of products.

Other Expenses

The Group's other expenses primarily consist of (i) rental related expenses relating to the leases of our facilities to related parties; (ii) expenses incurred for sales of materials; (iii) losses from changes in foreign exchange rates; and (iv) other expenses, including our donation to charity organizations and the donation expenditure of telitacicept and disitamab vedotin. Our other expenses decreased from RMB12.2 million for the six months ended June 30, 2021 to RMB9.8 million for the six months ended June 30, 2022, mainly due to a decrease in losses from changes in foreign exchange rates of RMB5.7 million, increases in donation to charity organizations and donation expenditure of telitacicept and disitamab vedotin of RMB3.4 million, a decrease in rental related expenses relating to the leases of our facilities to related parties of RMB0.8 million and an increase in other aggregate effects of RMB0.7 million.

Finance Costs

The Group's finance costs mainly consist of interest on lease liabilities. Our financial costs decreased from RMB2.5 million for the six months ended June 30, 2021 to RMB2.2 million for the six months ended June 30, 2022.

Income Tax Expenses

For the six months ended June 30, 2021 and 2022, the Group's income tax expenses were nil.

Loss for the Period

Based on the factors described above, the Group's loss for the period increased from RMB444.0 million for the six months ended June 30, 2021 to RMB489.1 million for the six months ended June 30, 2022.

Liquidity and Financial Resources

Our primary use of cash is to fund research and development expenses. For the six months ended June 30, 2022, our net cash used in operating activities was RMB703.7 million. Our cash and cash equivalents increased from RMB1,756.8 million as of December 31, 2021 to RMB2,590.0 million as of June 30, 2022, primarily due to an increase in proceeds from A Share Offering.

Loans and Gearing Ratio

As of June 30, 2022, the Group's interest-bearing bank and other borrowings were nil.

The gearing ratio is calculated using the Group's liabilities divided by its assets. As of June 30, 2022, the Group's gearing ratio was 10.8% (December 31, 2021: 17.1%).

Significant Investments, Material Acquisitions and Disposal

As at June 30, 2022, the Group held financial assets at fair value through profit or loss of RMB552.8 million, which represented the unlisted financial products purchased from the commercial banks, accounting for approximately 9.0% of total assets of the Group as at June 30, 2022.

Unit: RMB'000

Issuer	Product type	Principal business	Note	Investment cost	Fair value as of June 30, 2022	Interest income from these products for the six months ended June 30, 2022	Realised gain for the six months ended June 30, 2022	Unrealised gain for the six months ended June 30, 2022
China Construction Bank	Wealth management product	Banking services		255,500	257,214	1,714	–	1,714
China Construction Bank	Wealth management product	Banking services		84,000	84,539	539	–	539
Qingdao Bank	Wealth management product	Banking services	(a)	139,000	–	107	107	–
Qingdao Bank	Wealth management product	Banking services		51,000	51,337	337	–	337
Qingdao Bank	Wealth management product	Banking services	(b)	47,000	–	105	105	–
Qingdao Bank	Wealth management product	Banking services		92,000	92,501	501	–	501
Qingdao Bank	Wealth management product	Banking services		47,000	47,119	119	–	119
Qingdao Bank	Wealth management product	Banking services		20,000	20,051	51	–	51
Total				735,500	552,761	3,473	212	3,261

Notes:

(a) The investment has matured as of April 29, 2022.

(b) The investment has matured as of May 31, 2022.

The Group adopts a prudent and pragmatic investment strategies over its significant investments. Investments in financial products are made for financial management purposes to maximize the returns of the Company after taking into account, among other things, the level of risk, the return on investment and the maturity period. When making investment decisions, the Company selects standard short-term financial products with relatively low risks as its investment strategy to ensure stable investment income. Before making an investment, the Group also ensures that there will be sufficient working capital to meet the funding needs of the business, operating activities and capital expenditure of the Group after making significant investments.

Save as disclosed above, the Group did not have any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2022.

Capital Commitments

For the six months ended June 30, 2021 and 2022, the Group had capital commitments contracted for but not yet provided of RMB523.4 million and RMB415.6 million, respectively, primarily in connection with (i) contracts entered with contractors for the construction of our new manufacturing facilities; and (ii) contracts entered with suppliers for the purchase of equipment.

Contingent Liabilities

As of June 30, 2022, the Group did not have any contingent liabilities.

Foreign Exchange Exposure

Our financial statements are expressed in RMB, but our assets such as certain of our cash and cash equivalents and time deposits are denominated in foreign currencies, and are exposed to foreign exchange risk. We currently do not have a foreign exchange hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Employees and Remuneration

As of June 30, 2022, the Group had a total of 2,500 employees. The total remuneration cost of the Group for the six months ended June 30, 2022 was approximately RMB335.3 million, as compared to RMB199.3 million for the six months ended June 30, 2021, primarily due to an increase in the number of employees and an increase in their salaries.

To maintain the quality, knowledge and skill levels of our workforce, the Group provides continuing education and training programs, including internal and external training, to our employees to improve their technical, professional or management skills. The Group also provides trainings programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

We provide various incentives and benefits to our employees. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. We have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in accordance with applicable PRC laws.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2022.

COMPLIANCE WITH THE CG CODE

The Company has adopted the principles and code provisions as set out in the CG Code, and has complied with all applicable code provisions during the six months ended June 30, 2022.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, each of them has confirmed that he/she has complied with the Model Code during the six months ended June 30, 2022. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

Review of Interim Financial Results

The independent auditors of the Company, namely, Ernst & Young, have carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed together with the Company's management and independent auditors the accounting principles and policies adopted by the Group and the Group's financial reporting matters (including reviewing of the unaudited condensed consolidated interim results for the six months ended June 30, 2022). The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	**2022 (Unaudited) *RMB'000***	2021 (Unaudited) *RMB'000*
REVENUE	*5*	**348,779**	29,192
Cost of sales		**(167,505)**	(4,640)
Gross profit		**181,274**	24,552
Other income and gains		**53,676**	32,450
Selling and distribution expenses		**(149,961)**	(60,892)
Administrative expenses		**(106,919)**	(98,620)
Research and development costs		**(449,672)**	(326,604)
Impairment losses on financial assets, net		**(5,595)**	(225)
Other expenses		**(9,754)**	(12,234)
Finance costs		**(2,175)**	(2,470)
LOSS BEFORE TAX		**(489,126)**	(444,043)
Income tax expense	*6*	**–**	–
LOSS FOR THE PERIOD		**(489,126)**	(444,043)
Attributable to:			
Owners of the parent		**(489,126)**	(444,043)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted (RMB)		**(0.96)**	(0.91)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	2022 (Unaudited) *RMB'000*	2021 (Unaudited) *RMB'000*
LOSS FOR THE PERIOD	**(489,126)**	(444,043)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**2,496**	56
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**–**	(1,893)
Income tax effect	**–**	473
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**2,496**	(1,364)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(486,630)**	(445,407)
Attributable to:		
Owners of the parent	**(486,630)**	(445,407)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Notes	**30 June 2022 (Unaudited) *RMB'000***	31 December 2021 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,802,536**	1,577,687
Right-of-use assets		**131,211**	148,856
Other intangible assets		**14,734**	13,143
Equity investments designated at fair value through other comprehensive income		**12,067**	12,067
Pledged deposits		**594**	564
Other non-current assets		**143,234**	106,939
Total non-current assets		**2,104,376**	1,859,256
CURRENT ASSETS			
Inventories		**362,419**	280,314
Trade and bills receivables	*9*	**130,692**	7,050
Prepayments, other receivables and other assets		**299,236**	177,091
Financial assets at fair value through profit or loss		**552,761**	–
Pledged deposits		**69,769**	78,677
Cash and cash equivalents		**2,589,962**	1,756,821
Total current assets		**4,004,839**	2,299,953
CURRENT LIABILITIES			
Trade and bills payables	*10*	**156,827**	159,259
Other payables and accruals		**362,756**	393,130
Lease liabilities		**35,357**	52,454
Deferred income		**4,090**	4,442
Other current liabilities		**5,125**	7,117
Total current liabilities		**564,155**	616,402
NET CURRENT ASSETS		**3,440,684**	1,683,551
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,545,060**	3,542,807

	30 June 2022 (Unaudited) *RMB'000*	31 December 2021 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**52,705**	50,324
Deferred tax liabilities	**310**	310
Deferred income	**45,441**	45,751
Total non-current liabilities	**98,456**	96,385
Net assets	**5,446,604**	3,446,422
EQUITY		
Equity attributable to owners of the parent		
Share capital	**544,263**	489,837
Treasury shares	**(466,260)**	(449,170)
Reserves	**5,368,601**	3,405,755
Total equity	**5,446,604**	3,446,422

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

RemeGen Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 4 July 2008 as a limited liability company. On 12 May 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at 58 Middle Beijing Road, Yantai Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC.

During the current period, the Company and its subsidiaries (the "Group") were principally engaged in the biopharmaceutical research, biopharmaceutical service, and biopharmaceutical production and sale.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRS Standards 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

4. OPERATING SEGMENT INFORMATION

The Group is engaged in the biopharmaceutical research, biopharmaceutical service, biopharmaceutical production and sale, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Mainland China	**328,668**	29,192
USA	**20,111**	–
	348,779	29,192

(b) Non-current assets

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Mainland China	**2,023,805**	1,781,060
USA	**67,910**	65,499
Australia	**–**	66
	2,091,715	1,846,625

The non-current asset information above is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income and other non-financial assets.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of goods	**328,668**	29,192
Licensing revenue	**20,111**	–
	348,779	29,192

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets		
Mainland China	**328,668**	29,192
USA	**20,111**	–
	348,779	29,192

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	**348,779**	29,192

6. INCOME TAX EXPENSE

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

The subsidiary incorporated in the USA is subject to America federal and California state income tax. America federal income tax was provided at the rate of 21% and California income tax was provided at the rate of 8.84% during the six months ended 30 June 2022 on the estimated assessable profits arising in the USA.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the six months ended 30 June 2022. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the six months ended 30 June 2022.

The subsidiary incorporated in South Australia is subject to South Australia profits tax at the rate of 25% when aggregated turnover is under the threshold of AUD50 million, or at the rate of 30% when aggregated turnover is over AUD50 million. No provision for South Australia profits tax has been made as the Group had no assessable profits derived from or earned in South Australia during the six months ended 30 June 2022.

No current income tax and deferred income tax were charged for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

7. DIVIDENDS

No dividend has been declared and paid by the Company during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the Reporting Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the Reporting Period.

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation:	**(489,126)**	(444,043)

	Number of shares	
	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**511,374,317**	489,525,705

Diluted earnings per share equals basic earnings per share as the Company had no dilutive potential ordinary shares for the six months ended 30 June 2022 and 30 June 2021.

In order to attract and motivate technical talents, encourage and motivate employees who have made beneficial contributions to the Company, and continuously improve the salary incentive system, on 3 February 2021 and 23 March 2021, the Company's board of directors and shareholders' meeting reviewed and approved the First H Share Award and Trust Scheme. According to the scheme, the board of directors of the Company may from time to time in its absolute discretion, pay funds to the trustee with funds of the Company for the purchase of a specified number of H shares from the open market in accordance with the written instructions of the board of directors. The repurchased funds and purchased shares are held by RC Talent Success Limited ("HoldCo") established by the trustee for the trust. As at 30 June 2022, the Company has prepaid HoldCo HK$620 million for the repurchase of H shares. HoldCo purchased 6,066,000 H shares in the market at an average price of approximately HK$97.39 per share, with a total amount of HK$563,070,743.75 (equivalent to RMB466,509,286.16). As at 30 June 2022, 295,000 H shares of the First H Share Award and Trust Scheme have been awarded to the incentive recipients and 5,771,000 H shares are held by HoldCo.

9. TRADE AND BILLS RECEIVABLES

	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade receivables	**103,809**	2,433
Impairment	**(5,191)**	(121)
Trade receivables, net	**98,618**	2,312
Bills receivable	**32,074**	4,738
	130,692	7,050

Trade receivables mainly consist of receivables of sales of goods.

For receivables of sales of goods, the Group's trading terms with its customers are mainly on credit. The credit period offered by the Group is generally one month.

The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 month	**95,460**	2,312
1 to 2 months	**679**	–
2 to 3 months	**–**	–
3 to 6 months	**2,479**	–
	98,618	2,312

The movements in the loss allowance for impairment of trade receivables are as follows:

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
At 1 January	**121**	–
Impairment losses, net	**5,070**	74
At 30 June	**5,191**	74

10. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**116,985**	119,138
3 to 6 months	**27,085**	39,938
6 months to 1 year	**7,083**	46
Over 1 year	**5,674**	137
	156,827	159,259

11. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 30 June 2022.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.remegen.com.

The interim report for the six months ended June 30, 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the Core Products will ultimately be successfully developed and marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS AND GLOSSARY

"A Share(s)"	domestic RMB ordinary shares in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange
"A Share Offering"	the initial public offering of A Shares on March 31, 2022
"ADC"	antibody-drug conjugates, a class of biopharmaceutical drug composed of monoclonal antibodies targeted against specific tumor cell surface antigens linked, via chemical linkers, to highly potent anti-tumor small molecule agents
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors of the Company
"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 on the Main Board of the Stock Exchange (stock code: 9995) and the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688331), respectively
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, refers to our core products including telitacicept (RC18), disitamab vedotin (RC48) and RC28

"Director(s)"	the director(s) of the Company
"CDE"	Center for Drug Evaluation, NMPA
"China Construction Bank"	Yantai Branch of China Construction Bank Corporation (中國建設銀行股份有限公司)
"FDA"	the U.S. Food and Drug Administration
"FISH"	fluorescence in situ hybridization, a type of in situ hybridization (ISH) test that detects the genetic material in human cells, including specific genes or portions of genes. In the case of HER2 FISH test, fluorescent labels are used to attach to the hybrid of HER2-genes and the probes and return a score of either positive (+) or negative (-)
"GC"	gastric cancer
"Global Offering"	the offer of H Shares for subscription as described in the prospectus issued by the Company dated October 28, 2020
"Group", "we", "us" or "our"	the Company and its subsidiaries
"HER2"	human epidermal growth factor receptor 2
"H Shares"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IgAN"	IgA nephropathy or IgA Nephritis, an autoimmune kidney disease that occurs when immunoglobulin A (IgA) deposits build up in the kidneys, causing localized inflammation that, over time, can hamper the kidneys' ability to filter waste from the blood
"IHC"	immunohistochemistry, a test that uses a chemical dye to stain and measure specific proteins. IHC staining for HER2 status is the most widely used initial approach for evaluating HER2 as a predictor of response to anti-HER2 therapy. The HER2 IHC test gives a score of 0 to 3+ that measures the amount of HER2 proteins on the surface of cells in a tissue sample
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended or supplemented from time to time)
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"NDA"	new drug application

"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages
"PD-L1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that binds to its receptor, PD-1, on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"Qingdao Bank"	Technology sub-branch of Yantai Development Zone of Bank of Qingdao Co., Ltd. (青島銀行股份有限公司煙台開發區科技支行)
"Reporting Period"	the six months ended June 30, 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the A Shares and H Shares
"SLE"	systemic lupus erythematosus, a systemic autoimmune disease in which the immune system attacks its own healthy tissues causing symptoms such as inflammation and swelling
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"U.S." or "United States" or "USA"	the United States of America
"USD"	United States dollars, the lawful currency of the United States
"%"	percent

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

Yantai, PRC
August 30, 2022

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 Mr. Hao Xianjing, Dr. Ma Lan and Mr. Chen Yunjin as the independent non-executive Directors.

* *For identification purpose only*