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, 2024

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2024, together with the comparative figures for the same period in 2023.

BUSINESS HIGHLIGHTS

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

COMMERCIALIZATION

– The Group recorded revenue from product sales and research and development services of RMB739.7 million for the six months ended June 30, 2024, representing an increase of 76.5% from RMB419.1 million in the corresponding period of last year, mainly driven by robust sales growth of telitacicept (RC18, brand name: 泰爱®), a commercial-stage product of the Company for the treatment of autoimmune diseases, and disitamab vedotin (RC48, brand name: 爱地希®), a commercial-stage product of the Company for the treatment of tumors.

PRODUCT PIPELINE

Telitacicept (RC18, Brand Name: 泰爱®)

– In March 2024, the FDA granted telitacicept fast track designation (FTD) for the treatment of patients with primary Sjögren's Syndrome (pSS).

– In May 2024, patient enrollment was completed in both domestic Phase III clinical trials of telitacicept for the treatment of active primary Sjögren's Syndrome (pSS) in adults and IgA (immunoglobulin A) nephropathy.

– In May 2024, the domestic Phase II clinical study data for telitacicept for the treatment of adults with generalized myasthenia gravis (gMG) was published in the top international journal European Journal of Neurology (EJN) (IF=5.1).

– In June 2024, the clinical study of telitacicept for the treatment of patients with IgG4-related disease (IgG4-RD) at risk of relapse was granted approval for clinical trials by the CDE.

Disitamab Vedotin (RC48, Brand Name: 爱地希®)

– In January 2024, Phase I data for disitamab vedotin in combination with toripalimab injection for the treatment of patients with HER2-expressing gastric cancer or gastroesophageal junction adenocarcinoma (GC/GEJ) was published in eClinicalMedicine, a sub-journal of The Lancet. The results of the study showed that disitamab vedotin in combination with toripalimab injection had a manageable safety profile and significant efficacy.

– In March 2024, Phase II clinical data for disitamab vedotin for the treatment of patients with HER2-expressing cervical cancer was reported via an oral presentation at the 2024 European Society of Gynaecological Oncology (ESGO) Congress.

– In June 2024, results of 15 studies of disitamab vedotin were presented at the 2024 American Society of Clinical Oncology (ASCO) Annual Meeting.

– In June 2024, the randomized, open-label, parallel-controlled, multi-center Phase III clinical study of disitamab vedotin for the treatment of patients with HER2-positive advanced breast cancer with liver metastasis achieved positive results and met the primary endpoint of the clinical trial. The project has been granted breakthrough therapy designation by the NMPA in June 2021.

Other Products

– In January 2024, RC88 was granted the FTD by the FDA for the treatment of patients with platinum-resistant and recurrent epithelial ovarian cancer, fallopian tube cancer and primary peritoneal cancer.

– In June 2024, Phase I/II results of RC88 for the treatment of platinum-resistant and recurrent epithelial ovarian cancer were presented at the 2024 ASCO Annual Meeting.

Following the Reporting Period,

– In July 2024, telitacicept has been granted full approval by the NMPA to be marketed in China for the treatment in combination with methotrexate of adult patients with moderate to severe active rheumatoid arthritis (RA) who have not responded well to methotrexate.

– In July 2024, the clinical study of telitacicept for the treatment of adult patients with primary membranous nephropathy was granted approval for clinical trials by the CDE.

– In July 2024, a Phase Ib clinical study of RC28-E for the treatment of Wet Age-Related Macular Degeneration (wAMD) was published in Ophthalmology and Therapy, an internationally renowned ophthalmology journal.

– In August 2024, a global multi-center Phase III clinical trial of telitacicept for the treatment of generalized myasthenia gravis (gMG) enrolled the first patient in the U.S..

– In August 2024, a Phase III clinical trial of telitacicept for the treatment of generalized myasthenia gravis (gMG) in China reached its primary study endpoints.

– In August 2024, patient enrollment was completed in a Phase III clinical trial of disitamab vedotin in combination with PD-1 for the treatment of advanced stage I urothelial cancer in China.

FINANCIAL HIGHLIGHTS

– For the six months ended June 30, 2024, the revenue of the Group reached RMB739.7 million, and gross profit of the Group reached RMB570.4 million.

– Bank balances and cash of the Group amounted to RMB673.3 million as of June 30, 2024.

- The Group incurred total expenses of RMB1,351.1 million for the six months ended June 30, 2024, including research and development expenses of RMB806.2 million.
- The research and development expenses increased by RMB265.8 million, or 49.2%, to RMB806.2 million.
- The loss before tax increased by RMB77.1 million, or 11.0%, to RMB780.5 million.
- Loss for the period increased by RMB77.1 million, or 11.0%, to RMB780.5 million.
- The adjusted net loss* increased by RMB83.7 million, or 12.7%, to RMB743.4 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.*

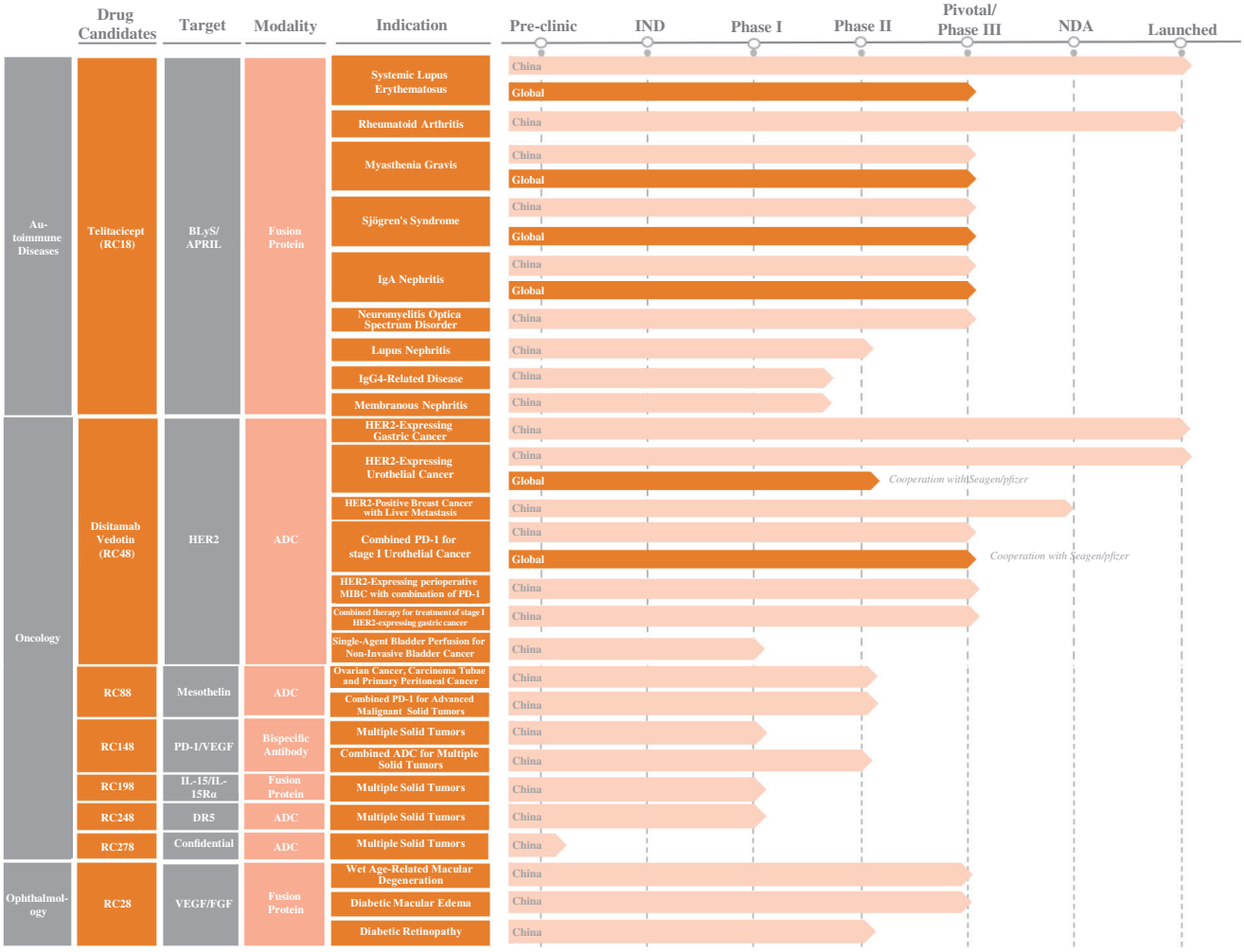
MANAGEMENT DISCUSSION AND ANALYSIS

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 commercialized two 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 20 indications. Our two commercial-stage drugs, telitacicept (RC18, brand name: 泰爱®) and disitamab vedotin (RC48, brand name: 爱地希®), are in clinical trials targeting over 20 indications in China and the United States.

RICH PRODUCT PIPELINE

The following chart illustrates our pipeline and summarises the development status of our clinical-stage drug candidates and selected IND-enabling stage drug candidates as of June 30, 2024:



BUSINESS REVIEW

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

Telitacicept (RC18, brand name: 泰爱®)

– 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 and acts on 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 an attempt to address the significant unmet or underserved medical needs.

  o Systemic Lupus Erythematosus (SLE)

  • *China:* We have received full marketing approval from the NMPA in November 2023 and have successfully renewed telitacicept in the National Reimbursement Drug List (NRDL) at the end of 2023.

  • *Global:* The international, multi-center Phase III clinical study is ongoing.

  o Lupus Nephritis (LN)

  • *China:* The IND application for a Phase II clinical trial on telitacicept for the treatment of active lupus nephritis obtained the approval from the CDE in September 2022. The Company has commenced this clinical study in China in the first half of 2023, with smooth progress currently.

  o Rheumatoid Arthritis (RA)

  We have completed a multi-center, double-blind, placebo-controlled Phase III clinical trial in China. We received positive results from this trial in the second quarter of 2023 and submitted BLA to the NMPA in August 2023 and presented the data at the American College of Rheumatology (ACR) Annual Meeting in November 2023. In July 2024, the NMPA approved the marketing of telitacicept for the treatment of this indication in China.

- ***Immunoglobulin A Nephropathy (IgAN)***

  - *China:* In the first half of 2023, we initiated a Phase III clinical study of telitacicept for the treatment of IgAN in China, and in May 2024, patient enrollment for the Phase III study has been completed.

  - *United States:* We communicated with the FDA regarding the use of telitacicept for the treatment of patients with IgAN in November 2022, and obtained the FDA's permission to conduct a Phase III clinical trial.

- ***Primary Sjögren's Syndrome (pSS)***

  - *China:* We communicated with the CDE regarding the protocol of a Phase III clinical trial of telitacicept for the treatment of patients with pSS in June 2022 and reached consensus with the CDE in August 2022. In the first half of 2023, we initiated this Phase III clinical study in China, and in May 2024, patient enrollment has been completed.

  - *United States:* In December 2023, the FDA approved the IND application for the global, multi-center Phase III trial of telitacicept for the treatment of adult patients with pSS. In March 2024, telitacicept received a FTD from the FDA for the treatment of adult patients with pSS.

- ***Myasthenia Gravis (MG)***

  - *China:* In the first half of 2023, we initiated Phase III clinical trial of telitacicept for the treatment of generalized myasthenia gravis (gMG) in China, which is a multi-center, randomized, double-blind, placebo-controlled study. In August 2024, the clinical trial reached its primary study endpoints. Previously, we received breakthrough therapy designation from the CDE for the treatment of generalized myasthenia gravis (gMG) in November 2022.

  - *United States:* The FDA granted orphan drug designation to telitacicept for the treatment of gMG in October 2022. In the first quarter of 2023, the FDA approved a global multi-center Phase III clinical trial of telitacicept for the treatment of patients with generalized myasthenia gravis (gMG) and granted it a FTD. In August 2024, the clinical trial enrolled the first patient in the U.S..

- ***IgG4-Related Disease***

  In June 2024, the clinical trial of telitacicept for the treatment of IgG4-related disease (IgG4-RD) with risk of relapse obtained approval granted by the CDE to conduct clinical study in China.

- ***Membranous nephritis***

  In July 2024, the clinical study of telitacicept for the treatment of adult patients with primary membranous nephropathy was granted approval for clinical trials by the CDE.

- ***Other Indications***

  In addition to the above indications, we will continue to explore and evaluate the potential of telitacicept in treating other autoimmune diseases (including but not limited to antiphospholipid syndrome and thrombocytopenia).

– 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.

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that telitacicept (RC18, brand name: 泰爱®) (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, brand name: 爱地希®)

– Disitamab vedotin is our leading antibody-drug conjugate (ADC) product candidate and is the first domestically developed ADC approved in China. Disitamab vedotin is a novel ADC independently developed by the Company for treating 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 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) and other malignant tumors like gynecological cancers.

– We have been developing disitamab vedotin for a variety of HER2-expressing cancer types. Currently, we strategically focus on clinical studies on disitamab vedotin for the treatment of indications of 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 gynecologic malignancies.

o Urothelial Cancer (UC)

- We completed a Phase II clinical trial of disitamab vedotin in patients with HER2-overexpressing (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, 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 November 2023, the clinical results were published online in the Journal of Clinical Oncology (JCO), a top international oncology journal. The drug was included in the updated NRDL in January 2023 and was successfully renewed by the end of 2023.

- We are now exploring the clinical potential of disitamab vedotin in combination with anti-PD-1 antibody for the treatment of HER2-expressing UC. The investigational new drug (IND) application for a Phase II trial of disitamab vedotin in combination with toripalimab injection (brand name: 拓益®) for the treatment of perioperative muscle invasive bladder cancer (MIBC) was accepted by the NMPA in February 2022. Such trial is progressing smoothly.

  In June 2024, the Company announced the preliminary results from a Phase II study of neoadjuvant therapy in combination with PD-1 for the treatment of HER2-expressing muscle invasive bladder cancer (MIBC) in a poster presentation at the American Society of Clinical Oncology (ASCO) Annual Meeting. Among the 47 subjects enrolled, 31 patients underwent radical surgery. The results showed that the pathological complete response rate (pCR) was 61.3% (19/31), the pathological partial response rate (pPR) was 74.2% (23/31), and the safety profile was good.

- We are conducting a multi-center, randomized and parallel-controlled Phase III clinical trial in China to compare and evaluate the efficacy of disitamab vedotin in combination with toripalimab injection (brand name: 拓益®) and gemcitabine in combination with cisplatin/carboplatin for the treatment of patients with HER2-expressing locally advanced or metastatic UC without prior systemic chemotherapy. In August 2024, patient enrollment was completed for such clinical trial.

o Gastric Cancer (GC)

- The IND application for a Phase II/III clinical trial of disitamab vedotin in combination with toripalimab and chemotherapy or disitamab vedotin for injection in combination with toripalimab and trastuzumab for first-line treatment of HER2-expressing or non-expressing locally advanced or metastatic gastric cancer (including gastroesophageal junction carcinoma) was approved by the NMPA in April 2023. This study is progressing smoothly.

- In June 2024, a multi-center, single-arm Phase II clinical study of disitamab vedotin in combination with tislelizumab and S-1 for the first-line treatment of HER2-overexpressing advanced gastric or gastroesophageal junction adenocarcinoma, led by Professor Liu Lian of Qilu Hospital of Shandong University, was presented at the 2024 ASCO Annual Meeting in the form of an oral communication of clinical science seminars. Among the 53 patients who could be evaluated for efficacy, the results showed that the first-line objective response rate (ORR) was 94.3%, and the disease control rate (DCR) was 98.1%. The 1-year progression-free survival (PFS) rate was 71.8%, and the 1-year overall survival (OS) rate was 97.6%, with benign safety profile.

- ***Breast Cancer (BC)***

  The Phase III clinical trial of disitamab vedotin for the treatment of HER2-positive advanced breast cancer patients with liver metastasis achieved positive results and reached the primary study endpoints.

- ***Gynecologic Cancers***

  - The IND application for a Phase II trial of disitamab vedotin in combination with zimberelimab injection (brand name: 譽妥®) for the treatment of patients with recurrent or metastatic cervical cancer expressing HER2 who have failed at least one line of platinum-containing chemotherapy was approved by the NMPA in October 2023. In March 2024, the Phase II clinical data for disitamab vedotin for the treatment of HER2-expressing cervical cancer patients were disclosed in the form of an oral report at the 2024 European Society of Gynaecological Oncology (ESGO) Congress. In May 2024, disitamab vedotin was included in the Guidelines for the Clinical Application of Antibody-Drug Conjugates for Gynecological Malignancies (2024 Edition) and was recommended for the treatment of patients with HER2-expressing recurrent metastatic cervical cancer, recurrent ovarian epithelial cancer, fallopian tube cancer or primary peritoneal cancer and recurrent metastatic uterine tumors (grade 2B recommendation).

– In August 2021, we entered into an exclusive worldwide license agreement with Seagen Inc. ("**Seagen**") to develop and commercialize disitamab vedotin. Pursuant 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 percentage of future cumulative net sales as Seagen subsequently continues global development and commercialization of disitamab vedotin. Pfizer Inc. ("**Pfizer**")/Seagen are conducting various clinical trials of disitamab vedotin for different indications. Please refer to Pfizer's/Seagen's public information for more details.

  o UC

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

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that disitamab vedotin (RC48, brand name: 爱地希®) (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-E

– RC28-E 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-E 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 2.0mg injection of RC28-E in wAMD patients.

  o Wet Age-Related Macular Degeneration (wAMD)

  Currently, we have completed an open-label, single-arm Phase Ib dose-expansion trial to evaluate the efficacy and safety of RC28-E in the treatment of the patients with wAMD. As of December 31, 2021, we completed patient enrollment with 37 patients in this trial. The latest results of the study of this indication were presented at the 38th World Ophthalmology Congress (WOC 2022) in September 2022. We initiated the Phase III clinical study in China in the first half of 2023.

  On July 20, 2024, a Phase Ib clinical study of RC28-E for the treatment of Wet Age-Related Macular Degeneration (wAMD) was published in Ophthalmology and Therapy, an internationally renowned ophthalmology journal. The results showed that RC28-E (0.5mg~2.0mg) demonstrated good safety and tolerability in patients with wAMD. Most of the adverse events (AEs) that occurred in the trial were mild or moderate, with the most common being mild injection-related subconjunctival hemorrhage (16.2%). At week 48, the best corrected visual acuity (BCVA) and central subfield thickness (CST) for the RC28-E injection at 0.5mg, 1.0mg and 2.0mg were significantly improved after 1 year of treatment. In addition, 46% of patients with polypoid choroidal vasculopathy (PCV) were enrolled in the study, 73% of whom were retreated (having received other anti-VEGF therapies before enrollment), and the results of the study indicated that RC28-E was effective in these relatively refractory patients.

- ***o Diabetic Macular Edema (DME)***

  In the first half of 2023, we further initiated the Phase III clinical trial, and as of June 30, 2024, patient enrollment has been completed.

- ***o Diabetic Retinopathy (DR)***

  We are currently conducting a multi-center, randomized, positive-controlled Phase II clinical trial in China.

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the RC28-E 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 drug that we developed for the treatment of solid tumors. The IND application for the Phase I/II trial of RC88 in combination with sintilimab (brand name: 達伯舒®) for the treatment of patients with advanced malignant solid tumors was approved by the NMPA in March 2023. Currently, the first patient has been enrolled. The Phase II clinical trial application for RC88 for the treatment of patients with platinum-resistant and recurrent epithelial ovarian cancer, carcinoma tubae and primary peritoneal cancer (PROC) was approved by the CDE in December 2023, with smooth progress currently.

– **RC148**: In July 2023, the Company's Phase I clinical trial study for its self-developed novel bispecific antibody RC148 (PD-1/VEGF), as monotherapy for the treatment of advanced malignant solid tumors was formally approved by the CDE. This is a multi-center, open-label Phase I clinical study designed to evaluate the safety, tolerability, maximum tolerated dose/ maximum administered dose, pharmacokinetics (PK), immunogenicity, Phase II recommended dose, and preliminary antitumor efficacy of RC148. In September 2023, the first patient was enrolled, with smooth progress currently.

– **RC198**: RC198 is a Fc fusion protein of interleukin-15 (IL-15) and IL-15 receptor alpha (IL-15Rα). As a member of the immuno-modulatory cytokine family, IL-15 is a potent initiator of lymphocytes and enhances the activation, proliferation, survival, cytolysis, and migration of NK cells, CD8+ effector T cells, natural killer T cells (NKT), and other lymphocytes, which has a broad-spectrum antitumor potential, and is expected to provide a new therapeutic option for cancer patients. In July 2023, the Phase I clinical trial application for RC198 injection as monotherapy for the treatment of advanced malignant solid tumors was formally approved by the CDE, with smooth progress currently.

– **RC248**: RC248 is a novel DR5-targeting ADC drug for the treatment of various tumors. It is under Phase I dosage escalation stage. As of June 30, 2024, the first patient was enrolled.

– **RC278:** RC278 is a novel ADC drug for the treatment of various tumors. It is under pre-clinical study stage, with the target under confidentiality currently.

– **Warning under Rule 18A.08(3) of the Listing Rules:** There is no assurance that the RC88, RC148, RC198, RC248 or RC278 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.

Commercial-stage Product Portfolio

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 sales teams in the areas of autoimmune diseases and oncology respectively.

As the world's first innovative dual-target biological agent for the treatment of SLE, telitacicept was approved for marketing by the NMPA in March 2021 and has commenced sales. This product for the treatment of SLE was included in the NRDL in December 2021 and was successfully renewed by the end of 2023. As of June 30, 2024, telitacicept has been listed in over 900 hospitals.

Disitamab vedotin was approved for marketing by the NMPA in June 2021, and has commenced sales in July 2021. This product for the treatment of HER2-expressing advanced gastric cancer (GC) indication was included in the updated NRDL at the end of 2021. This product for the treatment of HER2-expressing urothelial carcinoma (UC) indication was included in the updated NRDL in January 2023. As of June 30, 2024, disitamab vedotin has been listed in over 700 hospitals.

Leveraging the expertise and industry connections of our teams, and the greatly improved accessibility of the two Core Products following their inclusion into the NRDL, we market the products primarily through a physician-targeted marketing strategy, focusing on direct and interactive communication with key opinion leaders (KOL) and physicians in the respective therapeutic areas to further expand the market penetration and establish the differentiated positioning of our products.

KEY EVENTS AFTER THE REPORTING PERIOD

– In July 2024, telitacicept has been granted full approval by the NMPA to be marketed in China for the treatment in combination with methotrexate of adult patients with moderate to severe active rheumatoid arthritis (RA) who have not responded well to methotrexate.

– In July 2024, the clinical study of telitacicept for the treatment of adult patients with primary membranous nephropathy was granted approval for clinical trials by the CDE.

– In July 2024, a Phase Ib clinical study of RC28-E for the treatment of Wet Age-Related Macular Degeneration (wAMD) was published in Ophthalmology and Therapy, an internationally renowned ophthalmology journal.

– In August 2024, a global multi-center Phase III clinical trial of telitacicept for the treatment of generalized myasthenia gravis (gMG) enrolled the first patient in the U.S..

– In August 2024, a Phase III clinical trial of telitacicept for the treatment of generalized myasthenia gravis (gMG) in China reached its primary study endpoints.

– In August 2024, patient enrollment was completed in a Phase III clinical trial of disitamab vedotin in combination with PD-1 for the treatment of advanced stage I urothelial cancer in China.

FUTURE DEVELOPMENT

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

Looking ahead to the second half of 2024, we will endeavour to commercialise telitacicept and disitamab vedotin and actively expand the market in China. At the same time, we will continuously accelerate the application and clinical trials for the expansion of the indications for products in the pipeline.

On the international front, we will further step up our efforts 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 indication and initiating Phase III clinical trials for other indications in the United States. With regard to disitamab vedotin, we will continue to work with Pfizer/Seagen to support its global clinical trials/ regulatory filings.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from RMB419.1 million for the six months ended June 30, 2023 to RMB739.7 million for the six months ended June 30, 2024. The increase was mainly attributable to robust year-on-year growth in sales revenue as a result of higher sales volume of telitacicept, a commercial-stage product of the Company for the treatment of autoimmune diseases, and disitamab vedotin, a commercial-stage product of the Company for the treatment of tumors.

Other Income and Gains

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

Our other income and gains decreased from RMB55.0 million for the six months ended June 30, 2023 to RMB54.4 million for the six months ended June 30, 2024.

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 RMB350.2 million for the six months ended June 30, 2023 to RMB389.7 million for the six months ended June 30, 2024, primarily due to an increase in team building costs and promotion expenses.

Administrative Expenses

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

Our administrative expenses decreased from RMB168.6 million for the six months ended June 30, 2023 to RMB155.2 million for the six months ended June 30, 2024.

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 our drug candidates, testing expenses for preclinical 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 RMB540.5 million for the six months ended June 30, 2023 to RMB806.2 million for the six months ended June 30, 2024. The following table sets forth the components of our research and development expenses for the periods indicated.

	Six months ended June 30,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefits expenses	**240,140.4**	**29.8**	206,661.6	38.2
Raw material expenses	**135,473.8**	**16.8**	73,286.7	13.6
Clinical trial expenses	**244,265.7**	**30.3**	124,038.3	23.0
Testing expenses	**51,691.0**	**6.4**	38,050.2	7.0
Depreciation and amortisation expenses	**64,735.4**	**8.0**	54,116.3	10.0
Utilities	**17,152.0**	**2.1**	10,314.8	1.9
Others	**52,774.4**	**6.6**	33,985.0	6.3
Total	**806,232.7**	**100.0**	540,452.9	100.0

(i) Employee benefits expenses increased by RMB33.5 million, mainly due to an increase in share-based compensation;

(ii) Raw material expenses increased by RMB62.2 million, mainly due to the continuous development of drug candidates;

(iii) Clinical trial expenses increased by RMB120.2 million, mainly due to the continuous clinical development of drug candidates, especially overseas clinical trials;

(iv) Testing expenses increased by RMB13.6 million, mainly due to the continuous development of drug candidates;

(v) Depreciation and amortisation expenses increased by RMB10.6 million, mainly due to an increase in depreciation after new plants being transferred to fixed asset and addition of new equipment;

(vi) Utilities increased by RMB6.8 million, mainly due to an increase in water, electricity and gas consumption;

(vii) Other expenses increased by RMB18.8 million, mainly due to an increase of RMB7.0 million in external purchases of non-patented technologies and increases in other expenses such as repairs and maintenance of equipment to various extent.

Impairment Losses on Financial Assets, Net

The Group's net impairment losses on financial assets mainly consist of the impairment losses in relation to other receivables and receivables. We recorded the net impairment loss on financial assets of RMB4.1 million for the six months ended June 30, 2023 and the net impairment loss on financial assets of RMB3.8 million for the six months ended June 30, 2024, mainly due to a decrease in impairment losses on other receivables for the current period.

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 currency exchange rates; and (iv) other expenses, including our donation to charity organisations and the donation expenditure of telitacicept and disitamab vedotin. Our other expenses increased from RMB5.5 million for the six months ended June 30, 2023 to RMB18.5 million for the six months ended June 30, 2024, mainly due to (i) an increase in donation expenditure of telitacicept and disitamab vedotin of RMB6.5 million; and (ii) an increase in losses from changes in foreign currency exchange rates of RMB6.5 million.

Finance Costs

The Group's finance costs mainly comprise interest on bank borrowings, interest on discounted bankers' acceptances and interest on lease liabilities. Our finance costs increased from RMB6.0 million for the six months ended June 30, 2023 to RMB31.9 million for the six months ended June 30, 2024, mainly due to, during the Reporting Period, (i) an increase in interest on bank borrowings; and (ii) an increase in interest on discounted bankers' acceptances.

Income Tax Expenses

For the six months ended June 30, 2023 and 2024, 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 RMB703.4 million for the six months ended June 30, 2023 to RMB780.5 million for the six months ended June 30, 2024.

Liquidity and Financial Resources

Our primary use of cash is to fund research and development expenses. For the six months ended June 30, 2024, our net cash used in operating activities was RMB826.3 million. Our cash and cash equivalents decreased from RMB726.6 million as of December 31, 2023 to RMB673.3 million as of June 30, 2024, mainly due to the use of funds for daily operation.

Loans and Gearing Ratio

As of June 30, 2024, the Group's interest-bearing bank and other borrowings were RMB2,274.5 million.

The gearing ratio is calculated using the Group's total liabilities divided by its total assets. As of June 30, 2024, the Group's gearing ratio was 53.7% (December 31, 2023: 37.8%).

Significant Investments, Material Acquisitions and Disposal

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, 2024.

Capital Commitments

As of December 31, 2023 and June 30, 2024, the Group had capital commitments contracted for but not yet provided of RMB201.9 million and RMB101.4 million, respectively, primarily in connection with (i) contracts entered with contractors for the construction of our manufacturing facilities; and (ii) contracts entered with suppliers for the purchase of equipment.

Contingent Liabilities

As of June 30, 2024, 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 currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration

As of June 30, 2024, the Group had a total of 3,497 employees. The total remuneration cost for the six months ended June 30, 2024 was RMB592.3 million, as compared to RMB571.7 million for the six months ended June 30, 2023, primarily due to an increase in share-based compensation.

To maintain the quality, knowledge and skill levels of our workforce, the Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. The Group also provides training programs to our employees from time to time to ensure their awareness of 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 provident 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 had purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2024.

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, 2024.

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 for the six months ended June 30, 2024. 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 auditor of the Company, namely, Ernst & Young, has 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 auditor 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, 2024). 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, 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	**2024 (Unaudited) *RMB'000***	2023 (Unaudited) *RMB'000*
REVENUE	*5*	**739,656**	419,073
Cost of sales		**(169,271)**	(102,655)
Gross profit		**570,385**	316,418
Other income and gains		**54,417**	55,013
Selling and distribution expenses		**(389,665)**	(350,168)
Administrative expenses		**(155,220)**	(168,609)
Research and development costs		**(806,233)**	(540,453)
Impairment losses on financial assets, net		**(3,808)**	(4,108)
Other expenses		**(18,469)**	(5,458)
Finance costs		**(31,867)**	(5,997)
LOSS BEFORE TAX		**(780,460)**	(703,362)
Income tax expense	*6*	**–**	–
LOSS FOR THE PERIOD		**(780,460)**	(703,362)
Attributable to:			
Owners of the parent		**(780,460)**	(703,362)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic/diluted			
– For loss for the period		**RMB(1.45)**	RMB(1.30)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 (Unaudited) *RMB'000*	2023 (Unaudited) *RMB'000*
LOSS FOR THE PERIOD	**(780,460)**	(703,362)
OTHER COMPREHENSIVE LOSS		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**2,535**	1,469
Other comprehensive loss 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	**(30,039)**	(8,389)
Income tax effect	**1,511**	1,258
	(28,528)	(7,131)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(25,993)**	(5,662)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(806,453)**	(709,024)
Attributable to:		
Owners of the parent	**(806,453)**	(709,024)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	**30 June 2024 (Unaudited) *RMB'000***	31 December 2023 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,784,189**	2,833,055
Right-of-use assets		**243,054**	251,736
Other intangible assets		**25,825**	24,294
Investment in an associate		**8,850**	2,705
Equity investments designated at fair value through other comprehensive income		**63,482**	93,522
Financial assets at fair value through profit or loss		**2,857**	2,000
Pledged deposits		**654**	638
Other non-current assets		**131,747**	91,360
Total non-current assets		**3,260,658**	3,299,310
CURRENT ASSETS			
Inventories		**740,650**	741,560
Trade and bills receivables	*9*	**540,624**	420,419
Prepayments, other receivables and other assets		**336,242**	323,561
Financial assets at fair value through profit or loss		**200,238**	–
Pledged deposits		**2,803**	16,841
Cash and cash equivalents		**673,322**	726,552
Total current assets		**2,493,879**	2,228,933
CURRENT LIABILITIES			
Trade and bills payables	*10*	**133,158**	139,331
Other payables and accruals		**497,584**	632,196
Interest-bearing bank and other borrowings		**932,890**	286,349
Lease liabilities		**62,989**	58,371
Deferred income		**9,710**	9,417
Other current liabilities		**12,097**	11,877
Total current liabilities		**1,648,428**	1,137,541

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2024

	30 June 2024 (Unaudited) *RMB'000*	31 December 2023 (Audited) *RMB'000*
NET CURRENT ASSETS	**845,451**	1,091,392
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,106,109**	4,390,702
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**1,341,638**	840,588
Lease liabilities	**60,575**	74,675
Deferred tax liabilities	**–**	1,511
Deferred income	**39,286**	36,659
Total non-current liabilities	**1,441,499**	953,433
Net assets	**2,664,610**	3,437,269
EQUITY		
Equity attributable to owners of the parent		
Share capital	**544,332**	544,263
Treasury shares	**(438,160)**	(440,310)
Reserves	**2,558,438**	3,333,316
Total equity	**2,664,610**	3,437,269

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP 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 biopharmaceutical research, biopharmaceutical services, and biopharmaceutical production and sale.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of registration/incorporation and place of operations	Nominal value of issued ordinary/ registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
RemeGen Biosciences, Inc. (previously known as "RC Biotechnologies, Inc.")	Delaware, United States of America ("USA") 18 April 2011	1,500 ordinary shares	100%	–	Research and development, registration and business development
Ruimeijing (Beijing) Pharmaceutical Technology Co., Ltd. (瑞美京(北京)醫藥科技有限公司)*	Beijing, PRC 14 August 2019	RMB1,000,000	100%	–	Research and development
RemeGen Hong Kong Limited	Hong Kong 26 September 2019	United States dollars ("USD") 32,000,000	100%	–	Research and development
RemeGen Australia Pty Ltd.	South Australia 3 March 2021	100 ordinary shares	–	100%	Research and development and business development
Shanghai Rongchang Biotechnology Co. Ltd. (上海榮昌生物科技有限公司)*	Shanghai, PRC 7 May 2022	RMB500,000,000	100%	–	Research and development

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have official English names registered in the PRC. These subsidiaries were registered as domestic limited liability companies under PRC law.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 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 2023.

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 2023, 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 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical research, biopharmaceutical services, 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	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**729,474**	416,118
USA	**10,182**	2,955
Total segment revenue	**739,656**	419,073

(b) Non-current assets

	30 June	31 December
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Chinese Mainland	**3,118,325**	3,129,739
USA	**50,488**	57,329
Total	**3,168,813**	3,187,068

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

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of goods	**729,474**	416,118
Service income	**10,182**	2,955
Total	**739,656**	419,073

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets		
Chinese Mainland	**729,474**	416,118
USA	**10,182**	2,955
Total	**739,656**	419,073

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Transferred at a point in time	**729,474**	416,118
Transferred over time	**10,182**	2,955
Total	**739,656**	419,073

6. INCOME TAX EXPENSES

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

The Company has been recognised as a High New Tech Enterprise since 2022 and entitled to a reduced corporate income tax rate of 15% according to the tax incentives of the CIT Law for High New Tech Enterprises.

Ruimeijing (Beijing) Pharmaceutical Technology Co., Ltd. was subject to preferential tax at a rate of 20%, because it was regarded as a "small-scaled minimal profit enterprise" during the corresponding period.

The subsidiary incorporated in the USA is subject to America federal and California state income taxes. 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 2024 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 2024. 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 2024.

The subsidiary incorporated in South Australia is subject to South Australia profits tax at the rate of 25% when the aggregated turnover is under the threshold of AUD50 million, or at the rate of 30% when the 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 2024.

No current income tax and deferred income tax were charged for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

7. DIVIDENDS

No dividend has been declared and paid by the Company during the six months ended 30 June 2024 (six months ended 30 June 2023: 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 period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	**(780,460)**	(703,362)
Dilutive potential conversion expenses	**–**	–
Loss attributable to ordinary equity holders of the parent	**(780,460)**	(703,362)
Attributable to continuing operations	**(780,460)**	(703,362)

	Number of shares For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**537,631,657**	539,347,672
Effect of dilution – weighted average number of ordinary shares:		
Share awards	**582,810**	256,603
Total	**538,214,467**	539,604,275

9. TRADE AND BILLS RECEIVABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**324,129**	313,345
Impairment	**(16,205)**	(15,667)
Trade receivables, net	**307,924**	297,678
Bills receivable	**232,700**	122,741
Total	**540,624**	420,419

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 and for major customers can extend up to three months.

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

At 30 June 2024, the Group has pledged bills receivable of approximately RMB58,900,000 (31 December 2023: RMB28,437,000) to secure a bank loan granted to a major supplier.

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 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**307,924**	297,678

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
At 1 January	**15,667**	10,633
Impairment losses, net	**538**	298
Amount written off as uncollectible	**–**	(2,880)
At 30 June	**16,205**	8,051

The expected loss rate for the trade receivables generated from the sales of goods not past due is assessed to be 5% based on the days past due. The directors are of the opinion that the expected credit loss in respect of these balances is sufficient.

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 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**98,673**	92,711
3 to 6 months	**23,832**	39,945
6 months to 1 year	**5,292**	5,425
Over 1 year	**5,361**	1,250
Total	**133,158**	139,331

11. EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the reporting period.

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, 2024 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 (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.

DEFINITIONS AND GLOSSARY

"A Share(s)"	domestic RMB-denominated ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange
"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
"AUD"	Australian dollars, the lawful currency of Australia
"Audit Committee"	the audit committee of the Board
"BLA"	biologics license application
"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 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 contained in Appendix C1 to the Listing Rules
"China" or "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, our core products include telitacicept (RC18, brand name: 泰爱®) and disitamab vedotin (RC48, brand name: 爱地希®) and RC28-E
"Director(s)"	the director(s) of the Company
"CDE"	the Center for Drug Evaluation of China's National Medical Products Administration
"DME"	diabetic macular edema
"DR"	diabetic retinopathy
"ESGO"	European Society of Gynaecological Oncology
"FDA"	U.S. Food and Drug Administration
"FTD"	fast track designation
"GC"	gastric cancer
"Group", "we" or "our"	the Company and its subsidiaries
"HER2"	human epidermal growth factor receptor 2
"HR"	hormone receptors
"H Share(s)"	share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IgAN"	an autoimmune kidney disease that occurs when immunoglobulin A (IgA) deposits build up in the kidneys, causing localised inflammation that, over time, can hamper your kidneys' ability to filter waste from your 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
"IND"	investigational new drug application
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"LN"	lupus nephritis
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MG"	myasthenia gravis
"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
"pSS"	primary Sjögren's Syndrome
"RA"	rheumatoid arthritis
"Reporting Period"	the six months ended June 30, 2024
"RMB"	Renminbi, the lawful currency of China
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	ordinary share(s) 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 body's immune system attacks normal, healthy tissue and can result in symptoms such as inflammation and swelling

"wAMD"	wet age-related macular degeneration
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	supervisor(s) of the Company
"U.S." or "United States"	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, the People's Republic of China
August 16, 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 purposes only*