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Qyuns Therapeutics Co., Ltd.
江蘇荃信生物醫藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2509)

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF ANNUAL CAPS FOR
THE QX001S FRAMEWORK AGREEMENT
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF THE COMPANY**

Reference are made to the Prospectus dated March 12, 2024 published by the Company in relation to the QX001S Framework Agreement entered into between the Company and Zhongmei Huadong and the Company's announcement dated September 12, 2024. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Prospectus and announcement.

The Board has considered the business needs following the commercialization of SAILEXIN (QX001S) and proposes to renew the New Annual Caps for the three financial years from 2026 to 2028 pursuant to the term of the QX001S Framework Agreement in respect of the Continuing Connected Transactions.

IMPLICATIONS UNDER CHAPTER 14A OF THE LISTING RULES

As at the date of this announcement, Zhongmei Huadong is our substantial Shareholder holding 15.85% of the issued share capital of the Company (excluding Shares held by the Company as treasury shares) and is therefore a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (other than profit ratio) of the New Annual Caps exceeds 5%, the renewal of the New Annual Caps is subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the renewal of the New Annual Caps. As at the date of this announcement, Zhongmei Huadong holds 15.85% of the issued share capital of the Company (excluding Shares held by the Company as treasury shares). Accordingly, Zhongmei Huadong and its associates are required to abstain from voting on the resolutions to approve the renewal of the New Annual Caps at the EGM.

A circular, which will contain, among other things, (i) information about the New Annual Caps, (ii) a letter from the independent board committee containing its recommendation to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser containing its advice to the independent board committee and the Independent Shareholders in connection with the renewal of the New Annual Caps (including the transactions contemplated thereunder), (iv) the Proposed Amendments to the Articles, and (v) notice of the EGM, will be dispatched to the Shareholders on or about December 4, 2025 which is more than 15 business days after the publication of this announcement so as to allow sufficient time for the preparation of certain information for inclusion in the circular.

I. BACKGROUND

Reference are made to the Prospectus and the Company's announcement dated September 12, 2024. As disclosed in the Prospectus, the Company and Zhongmei Huadong entered into the QX001S Framework Agreement, pursuant to which the parties agreed to conduct joint development and exclusive commercialization of SAILEXIN (QX001S) for the diagnosis, prevention and treatment of human diseases, including but not limited to, psoriasis, active psoriatic arthritis, Crohn's disease and ulcerative colitis, in China. The QX001S Framework Agreement has a term of 15 years until August 13, 2035, which can be automatically renewed for a term of five years unless terminated earlier in accordance with the terms of the QX001S Framework Agreement.

Based on the principles provided in the QX001S Framework Agreement, Zhongmei Huadong and Cellularforce entered into the QX001S Supply Agreement in respect of entrusted processing under the QX001S Framework Agreement after amicable negotiation. Under the QX001S Supply Agreement, as the MAH of QX001S, Zhongmei Huadong may place production orders of SAILEXIN (QX001S) with Cellularforce after Zhongmei Huadong completes the onsite assessment and verification of Cellularforce's manufacturing facility and obtains approval for the Product Supply as required by the relevant regulatory authorities. Cellularforce shall provide certain designated manufacturing facility, quality control lab and storage center for the Product Supply to Zhongmei Huadong as specified in the QX001S Supply Agreement. Zhongmei Huadong shall be responsible for the commercialization of final products, and Cellularforce shall ensure that the Product Supply is in compliance with GMP requirements and other regulatory requirements. Zhongmei Huadong is entitled to examine the production and inspection process of Cellularforce from time to time and request Cellularforce to immediately terminate production or take remedial or rectification measures in the event of Cellularforce's breach or violation of the QX001S Supply Agreement, GMP requirements or operation procedures. The initial term of the QX001S Supply Agreement is one year from the first batch of commercial production and may be renewed automatically for another year if the parties agree which has been further extended for another five years to August 31, 2030 pursuant to the supplement agreement entered into on November 11, 2025.

As disclosed in the Company's announcement dated September 12, 2024, Zhongmei Huadong and Cellularforce entered into the Supplemental Agreements to supplement and adjust certain terms of the QX001S Supply Agreement in respect of procurement of raw, auxiliary and packaging materials, placing of orders, settlement of entrusted production costs, sampling and testing of QX001S, stability study fees and other related matters. The Board also approved the Existing Annual Caps for 2024 and 2025 in respect of the Continuing Connected Transactions.

Further details of the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements are disclosed in the Prospectus and the Company's announcement dated September 12, 2024.

The Company disclosed in the announcement dated February 11, 2025 that the marketing authorisation application and supplemental application for Ustekinumab Injection (Intravenous Therapy) and Ustekinumab Injection (R&D code: QX001S/HDM3001-2) for use in Crohn's disease were accepted. The Board has considered the business needs following the commercialization of SAILEXIN (QX001S) and proposes to renew the New Annual Caps for the three financial years from 2026 to 2028 pursuant to the term of the QX001S Framework Agreement in respect of the Continuing Connected Transactions.

II. ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS UNDER THE QX001S FRAMEWORK AGREEMENT

Pursuant to the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements, the Group and Zhongmei Huadong have been conducting the following Continuing Connected Transactions:

(i) Product Supply

During the term of the QX001S Framework Agreement, the Group will exclusively manufacture and supply SAILEXIN (QX001S) to Zhongmei Huadong in the PRC (the "**Product Supply**") and be responsible for relevant quality control. Except when Cellularforce is unable to meet the manufacturing demand, Zhongmei Huadong cannot engage other manufacturers. Cellularforce shall supply SAILEXIN (QX001S) to Zhongmei Huadong at a unit supply price which will be determined by taking into account our actual costs expected to be incurred for manufacturing of SAILEXIN (QX001S) and a cost-plus margin of 25% for such manufacturing (the "**Markup**"), and on a priority basis.

Matters related to Product Supply have covered the renting of Cellularforce's laboratory premises, materials, reagents and equipments for sampling and testing of SAILEXIN (QX001S) by Zhongmei Huadong, as well as the need to carry out a three-year long-term stability study on no less than one batch of SAILEXIN (QX001S) drug substance and injections each year as required by Zhongmei Huadong to continuously monitor the stability of the products in order to comply with the relevant GMP requirements.

(ii) **Profit Sharing**

The parties agree that the accumulative pre-tax profit generated from sales of SAILEXIN (QX001S) in China (as calculated pursuant to the QX001S Framework Agreement), after setting off the accumulative losses attributable to the commercialization of SAILEXIN (QX001S) incurred in prior years (if any), shall be shared by the two parties on a 50:50 basis, provided that 50% of the Markup for the manufacturing of SAILEXIN (QX001S) will be further deducted from our portion of the pre-tax profit receivable and attributed to Zhongmei Huadong's portion instead (the “**Profit Sharing**”).

The Existing Annual Caps and Historical Figures for The Continuing Connected Transactions

The Existing Annual Caps and the actual figures for the year ended December 31, 2024, and the eight months ended August 31, 2025 for the continuing connected transactions under the QX001S Framework Agreement are as follows:

	Existing Annual Cap		Historical Figures	
			For the year ended December 31, 2024	For 8 months ended August 31, 2025
(RMB'000)	2024	2025		
Product Supply (payment to be received by the Group from Zhongmei Huadong under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements)	10,000	15,000	2,142	3,893 (Note 1)
Profit Sharing (payment to be received by the Group from Zhongmei Huadong under the QX001S Framework Agreement)	5,000	38,000	0	1,898 (Note 2)

Note 1: The figure is unaudited. The Company expects this amount to reach approximately RMB12 million by the end of this year.

Note 2: The figure is estimated based on the management accounts of Zhongmei Huadong.

Renewal of The New Annual Caps for 2026 to 2028

Based on the business scale, expected growth and capacity of Cellularforce and Zhongmei Huadong and their business needs and operating conditions and the general economic outlook of the industry, the Board proposes setting the New Annual Caps for the three financial years from 2026 to 2028 based on the terms of the QX001S Framework Agreement in respect of the Continuing Connected Transactions as follows:

<i>(RMB'000)</i>	New Annual Caps		
	2026	2027	2028
Product Supply (payment to be received by the Group from Zhongmei Huadong under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements)	25,000	35,000	55,000
Profit Sharing (payment to be received by the Group from Zhongmei Huadong under the QX001S Framework Agreement)	55,000	135,000	290,000

In determining the annual caps for Product Supply, the Directors have taken into account: (i) the historical transaction amounts of revenue from supply of products under the QX001S Supply Agreement; (ii) the current sales and marketing situation of SAILEXIN (QX001S), (iii) the expected units of sales and expected growth of anticipated demand of products under the QX001S Supply Agreement; (iv) the production costs (including raw material costs, energy costs and labor costs, etc.) expected to be incurred by Cellularforce in the supply of SAILEXIN (QX001S), with the Product Supply anticipated and taking into account the inventory requirements of Zhongmei Huadong for sales each year from 2026 to 2028; (v) the sample testing categories, testing frequency and estimated workload of sample testing; and (vi) the workload and consumption of reagents and consumables arising from the three-year long-term stability study on no less than one batch of SAILEXIN (QX001S) drug substance and injections each year as required.

In determining the annual caps for Profit Sharing, the Directors have taken into account: (i) the historical transaction amounts of revenue from sharing of net profits from the sales revenue of the relevant products under QX001S Supply Agreement; (ii) the historical sales data of Stelara® in the PRC market as shown in the Menet database; (iii) the expected amount of the SAILEXIN (QX001S) to be sold during the period from 2026 to 2028 and the estimated unit price of such products under the Supplemental Agreements; (iv) the sales capability and distribution channels of Zhongmei Huadong; (v) the selling and administrative expenses incurred based on (iv); and (vi) the profit before tax expected to be generated by Zhongmei Huadong from the sales of SAILEXIN (QX001S) after deducting the relevant costs.

III. REASONS FOR RENEWAL OF THE NEW ANNUAL CAPS

As disclosed in the Company's 2025 interim report, SAILEXIN (QX001S, Ustekinumab Injection) was approved by the NMPA in October 2024 as China's first approved ustekinumab biosimilar and our Company's first commercialised product. Approved by the FDA in 2009, ustekinumab (Stelara®) was the first biologic treatment to selectively inhibit the IL-23 and IL-12 pathways and is one of the major treatments for Psoriasis worldwide. According to the 2024 annual report of Johnson & Johnson, the global sales of Stelara® in 2024 amounted to US\$10.361 billion (approximately RMB75.221 billion).

As disclosed in the Company's announcements date December 2, 2024 and February 12, 2025, after received the approval for moderate-to-severe plaque psoriasis in adults, Zhongmei Huadong, a subsidiary of Huadong Medicine and our commercialisation partner for SAILEXIN, made supplemental application for SAILEXIN for use in pediatric plaque psoriasis and for use in Crohn's disease. It was further disclosed in the Company's announcement date March 3, 2025 that Zhongmei Huadong received the Notice of Approval of Supplemental Application for Drugs from the NMPA, and the supplemental application for SAILEXIN to add the new indication of pediatric plaque psoriasis has been approved. We expect SAILEXIN to be an affordable drug for a broad section of Psoriasis patients. As of June 30, 2025, we have shipped over 60,000 units to Zhongmei Huadong.

Prior to listing, Zhongmei Huadong had entrusted the Group to carry out the process development and production and processing of drugs, and the two parties entered into the QX001S Framework Agreement and the QX001S Supply Agreement in relation to the entrusted processing. Zhongmei Huadong is wholly owned by Huadong Medicine, a leading PRC pharmaceutical company with over 30 years of experience covering the whole pharmaceutical industrial chain and strong research and development and commercialization capabilities at a national level. Cellularforce, an indirect non-wholly owned subsidiary of the Company, is actively expanding its entrusted production business in China and overseas. We believe that the continued cooperation between the two parties in matters relating to entrusted processing will fully realize the resource sharing and complementary advantages of both parties. The Board believes that it is in the interest of the Group to continue the collaboration with Zhongmei Huadong and therefore it is essential to renew the New Annual Caps for the QX001S Framework Agreement in order to ensure smooth execution of the QX001S Framework Agreement and the QX001S Supply Agreement.

IV. CONFIRMATION BY THE BOARD

The Directors (excluding the independent non-executive Directors who will provide their opinion after taking into account the advice of the Independent Financial Adviser, details of which will be included in the circular) consider that the Continuing Connected Transactions contemplated under the QX001S Framework Agreement have been entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and together with the New Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Yu Xi, a non-executive Director, is the general manager of investment department at Huadong Medicine, the parent company of Zhongmei Huadong. Since he may have conflicts of interest and for good corporate governance practice, Mr. Yu Xi has abstained from voting on the board resolutions approving the renewal of the New Annual Caps.

V. IMPLICATIONS UNDER CHAPTER 14A OF THE LISTING RULES

As at the date of this announcement, Zhongmei Huadong is our substantial Shareholder holding 15.85% of the issued share capital of the Company (excluding Shares held by the Company as treasury shares) and is therefore a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (other than profit ratio) of the New Annual Caps exceed 5%, the renewal of the New Annual Caps is subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

VI. INFORMATION OF THE PARTIES

The Company

The Company is a biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases, with a self-developed drug pipeline and an established commercial-scale in-house manufacturing capability.

Zhongmei Huadong

Zhongmei Huadong is a company established in the PRC, and a substantial shareholder of the Company, a wholly-owned subsidiary of Huadong Medicine. Zhongmei Huadong principally engaged in the development, manufacturing and sales of pharmaceutical products. Zhongmei Huadong is our commercialization partner for joint development and exclusive commercialization of SAILEXIN (QX001S), one of the Company's key products in China since August 2020.

Cellularforce

Jiangsu Cellularforce Biopharma Co., Ltd. (江蘇賽孚士生物技術有限公司), a company established in the PRC with limited liability on August 2, 2018 and an indirect non-wholly owned subsidiary of the Company which is owned as to 66% by Saifu Juli and 34% by Taizhou Huacheng Medical Investment Group Co., Ltd. (泰州華誠醫學投資集團有限公司).

VII. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Board proposes to seek approval from the Shareholders at the EGM for amendments to the existing articles of association of the Company (the “**Articles**”) as follows (the “**Proposed Amendments**”):

Before amendments	After amendments
Article 21 Upon the completion of the Initial Public Offering of H Shares, the share capital of the Company is 222,071,600 shares, with a share capital structure of: 17,322,400 unlisted shares and 204,749,200 H Shares.	Article 21 Upon the completion of the Initial Public Offering of H Shares, the <u>The</u> share capital of the Company is 222,071,600 <u>227,071,600</u> shares, with a share capital structure of: 17,322,400 <u>17,322,400</u> unlisted shares and 204,749,200 <u>227,071,600</u> H Shares.

The Proposed Amendments and the adoption of the amended and restated articles of association of the Company are subject to the approval of the Shareholders by way of special resolution at the EGM.

VIII. THE EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the renewal of the New Annual Caps and for the Shareholders to consider and, if thought fit, approve the Proposed Amendments. As at the date of this announcement, Zhongmei Huadong holds 15.85% of the issued share capital of the Company (excluding Shares held by the Company as treasury shares). Accordingly, Zhongmei Huadong and its associates are required to abstain from voting on the resolutions to approve the renewal of the New Annual Caps at the EGM. As far as the Directors are aware, having made all reasonable enquiries, save for Zhongmei Huadong and its associates, no other Shareholders are required to abstain from voting on the resolutions referred to above at the EGM.

The independent board committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders. The Company has appointed Ignite Capital as the Independent Financial Adviser to advise the independent board committee and the Independent Shareholders in connection with the renewal of the New Annual Caps.

A circular, which will contain, among other things, (i) information about the renewal of the New Annual Caps, (ii) a letter from the independent board committee containing its recommendation to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in connection with the renewal of the New Annual Caps (including the transactions contemplated thereunder), (iv) the Proposed Amendments to the Articles, and (v) notice of the EGM, will be dispatched to the Shareholders on or about December 4 2025 which is more than 15 business days after the publication of this announcement so as to allow sufficient time for the preparation of certain information for inclusion in the circular.

IX. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of Directors of the Company
“Business Day”	any day other than (a) a Saturday or a Sunday or (b) a day on which commercial banking institutions are authorized or required by applicable laws to be closed in China
“Cellularforce”	Jiangsu Cellularforce Biopharma Co., Ltd. (江蘇賽孚士生物技術有限公司), a company established in the PRC with limited liability on August 2, 2018 and an indirect non-wholly owned subsidiary of our Company which is owned as to 66% by Saifu Juli and 34% by Taizhou Huacheng
“Company”	Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥股份有限公司) (stock code: 2509) (formerly known as Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥有限公司)), a company established in the PRC with limited liability on June 16, 2015 which was converted into a joint stock company with limited liability on September 30, 2021
“connected person(s)”	has the meanings ascribed to them under the Listing Rules (as modified by the Stock Exchange from time to time)
“Continuing Connected Transactions”	the Product Supply and the Profit Sharing pursuant to the terms of the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements
“Director(s)”	the director(s) of the Company

“Existing Annual Caps”	The annual caps for 2024 and 2025 in respect of the Continuing Connected Transactions as disclosed in the Company’s announcement of 12 September 2024
“GMP”	good manufacturing practice, regulations and procedures that provide for proper design, monitoring, and control of manufacturing processes and facilities
“Group”	the Company and its subsidiaries
“H Share(s)”	shares of the Company for which an application has been made for listing and permission to trade on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huadong Investment”	Huadong Medicine Investment Holding (Hong Kong) Limited (華東醫藥投資控股(香港)有限公司), a company incorporated in Hong Kong with limited liability and one of our Cornerstone Investors, a wholly-owned subsidiary of Huadong Medicine
“Huadong Medicine”	Huadong Medicine Co., Ltd. (華東醫藥股份有限公司), a pharmaceutical company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000963.SZ)
“Independent Financial Adviser” or “Ignite Capital”	Ignite Capital (Asia Pacific) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), which has been appointed as the independent financial adviser of the Company to advise the independent board committee and the Independent Shareholders in connection with the renewal of the New Annual Caps
“Independent Shareholders”	Shareholders of the Company other than Zhongmei Huadong and Huadong Investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MAH”	marketing authorization holder
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange

“New Annual Caps”	the new annual caps for the three financial years from 2026 to 2028 based on the terms of the QX001S Framework Agreement in respect of the Continuing Connected Transactions
“PRC” or “China”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus published by the Company on March 12, 2024 in connection with the global offering of 12,046,400 H Shares and listing of the H Shares on the Main Board as described in the Prospectus
“QX001S Framework Agreement”	the collaboration agreement and the supplemental agreement to the collaboration agreement entered into between the Company and Zhongmei Huadong on August 14, 2020 and December 7, 2023, respectively
“QX001S Supply Agreement”	the Ustekinumab Entrusted Production Agreement first entered into between Zhongmei Huadong and Cellularforce on September 28, 2022 and re-entered into on March 9, 2023 to update the name of the production line only with all other contents remaining the same
“RMB”	Renminbi, the lawful currency of the PRC
“Saifu Juli”	Taizhou Saifu Juli Biomedical Co., Ltd. (泰州市賽孚聚力生物醫藥有限公司), a company established in the PRC with limited liability on July 6, 2018 and a direct wholly owned subsidiary of our Company
“Share(s)”	ordinary share(s) with par value RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	including the supplemental agreements to the QX001S Supply Agreement entered into between Zhongmei Huadong and Cellularforce on September 12, 2024, and November 11, 2025

“Zhongmei Huadong”

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (杭州中美華東製藥有限公司), a company established in the PRC with limited liability on December 31, 1992 and a substantial shareholder of the Company, a wholly-owned subsidiary of Huadong Medicine

“%”

per cent

By order of the Board
Qyuns Therapeutics Co., Ltd.
Mr. Qiu Jiwan

Chairman of the Board and Executive Director

Hong Kong, November 11, 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Qiu Jiwan as chairman and executive director, Mr. Wu Yiliang and Mr. Lin Weidong as executive directors, Mr. Yu Xi and Mr. Wu Zhiqiang as non-executive directors, and Dr. Zou Zhongmei, Dr. Ling Jianqun and Mr. Fung Che Wai, Anthony as independent non-executive directors.