
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Qyuns Therapeutics Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- (1) 2023 WORK REPORT OF THE BOARD**
(2) 2023 WORK REPORT OF THE BOARD OF SUPERVISORS
(3) 2023 ANNUAL REPORT;
(4) 2023 PROFIT DISTRIBUTION PLAN;
(5) 2024 REMUNERATION SCHEME FOR DIRECTORS AND SUPERVISORS;
(6) ENGAGEMENT OF THE AUDITOR FOR 2024;
(7) PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE H SHARES;
(8) PROVISION OF A GUARANTEE FOR A SUBSIDIARY;
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING

The notice convening the AGM of Qyuns Therapeutics Co., Ltd. to be held at North Conference Room, 2nd Floor, Building 1, No.907 Yaocheng Avenue, Taizhou City, Jiangsu Province, the PRC on Friday, May 31, 2024 at 2:00 p.m. is set out in this circular. A form of proxy for use at the AGM are enclosed herewith and also published on both the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.qyuns.net>).

If you intend to appoint a proxy to attend the meeting, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the meeting (i.e. not later than 2:00 p.m. on Thursday, May 30, 2024 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion, signing and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof.

References to time and dates in this circular are to Hong Kong time and dates.

April 29, 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at North Conference Room, 2nd Floor, Building 1, No.907 Yaocheng Avenue, Taizhou City, Jiangsu Province, the PRC on Friday, May 31, 2024 at 2:00 p.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors of the Company
“Company”	Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary 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 and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	April 18, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC”	The People’s Republic of China, but for the purpose of this circular and unless otherwise indicated, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of RMB1.00 each in the capital of the Company comprising the Unlisted Shares and the H Shares
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Shares”	ordinary Share(s) issued by our Company with a nominal value of RMB1.00 each which is/are not listed on any stock exchange

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Qiu Jiwan (*Chairman*)
Mr. Wu Yiliang
Mr. Lin Weidong

Non-executive Directors:

Mr. Yu Xi
Mr. Wu Zhiqiang
Dr. Xue Mingyu

Independent Non-executive Directors:

Dr. Zou Zhongmei
Dr. Ling Jianqun
Mr. Fung Che Wai, Anthony

***Registered office and headquarter
in the PRC:***

Room 1310, Building 1
No. 907 Yaocheng Avenue
Taizhou, Jiangsu
PRC

Principal Place of Business in Hong Kong:

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

April 29, 2024

To the Shareholders

Dear Sir/Madam,

- (1) 2023 WORK REPORT OF THE BOARD**
(2) 2023 WORK REPORT OF THE BOARD OF SUPERVISORS
(3) 2023 ANNUAL REPORT;
(4) 2023 PROFIT DISTRIBUTION PLAN;
(5) 2024 REMUNERATION SCHEME FOR DIRECTORS AND SUPERVISORS;
(6) ENGAGEMENT OF THE AUDITOR FOR 2024;
(7) PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE H SHARES;
(8) PROVISION OF A GUARANTEE FOR A SUBSIDIARY;
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to set out the notice of the AGM and to provide you with information in respect of certain resolutions to be considered at the AGM, so as to enable you to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions will be proposed to consider, and (if thought fit) approve:

1. the report of the Board of Directors for the year ended December 31, 2023 (the “**2023 Report of the Board of Directors**”);
2. the report of the Board of Supervisors for the year ended December 31, 2023 (the “**2023 Report of the Board of Supervisors**”);
3. the annual report of the Group for the year ended December 31, 2023 (the “**2023 Annual Report**”);
4. the annual profit distribution plan of the Company for the year ended December 31, 2023 (the “**2023 Profit Distribution Plan**”);
5. the remuneration scheme for Directors and Supervisors for the year ending December 31, 2024 (the “**2024 Remuneration Scheme**”);
6. the engagement of auditor of the Company for the year ending December 31, 2024;
7. provision of a guarantee by the Company to the application for a credit line of not more than RMB300 million from certain commercial banks by its subsidiary; and
8. proposed granting of general mandate to issue H Shares

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision in the circumstances where sufficient and necessary information are available, we have provided detailed information in this circular to the Shareholders.

2. MATTERS TO BE CONSIDERED AT THE AGM

Ordinary Resolutions

(1) 2023 Report of the Board of Directors

An ordinary resolution will be proposed at the AGM to consider and approve the 2023 Report of the Board of Directors, the full text of which is set out in the 2023 Annual Report.

(2) 2023 Report of the Board of Supervisors

An ordinary resolution will be proposed at the AGM to consider and approve the 2023 Report of the Board of Supervisors, the full text of which is set out in the 2023 Annual Report.

LETTER FROM THE BOARD

(3) 2023 Annual Report

An ordinary resolution will be proposed at the AGM to consider and approve the 2023 Annual Report. The 2023 Annual Report is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.qyuns.net>). The annual report contains 2023 Report of the Board of Directors, 2023 Report of the Board of Supervisors, the audited consolidated financial statements, the auditor's report, the corporate governance report of the Company and its subsidiaries for the year ended December 31, 2023, among others.

(4) 2023 Profit Distribution Plan

An ordinary resolution will be proposed at the AGM to consider and approve the 2023 Profit Distribution Plan. Based on the actual situation of the Company's financial position and business development, as of December 31, 2023, the Company did not have any profit available for distribution, therefore, the Company decided not to make profit distribution for 2023.

(5) 2024 Remuneration Scheme for Directors and Supervisors

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Remuneration Scheme for Directors and Supervisors.

In order to further improve the Company's incentive mechanism, and effectively motivate the work enthusiasm and creativity of the Company's Directors and Supervisors, the Company, with reference to the salary level of the Company's Directors and Supervisors in 2023, has formulated the 2024 Remuneration Scheme for Directors and Supervisors, details of which are as follows:

I. Applicable targets: Directors and Supervisors of the Company

II. Applicable period of the scheme: January 1, 2024 to December 31, 2024

III. Remuneration standard:

1. Remuneration standard of Directors:

(1) Non-independent Directors are remunerated based on their positions in the Company, and Directors who do not hold positions in the Company shall not receive remuneration from the Company;

(2) Remuneration for independent non-executive Directors is HK\$200,000 per year (before tax).

2. Remuneration standard of Supervisors:

Supervisors who work in the Company shall receive remuneration based on their positions; and Supervisors who do not work in the Company shall not receive remuneration from the Company.

LETTER FROM THE BOARD

IV. Others

1. For Directors and Supervisors of the Company who leave office due to change of term, re-election or resignation during their terms of office, their remuneration shall be calculated and paid based on their actual terms of office.
2. The remuneration of Directors and Supervisors of the Company shall be paid on schedule in accordance with the regulations of the Company. The Company may adjust the remuneration scheme based on the industry conditions, actual operational conditions and specific performance of relevant personnel.

(6) Engagement for Auditor for 2024

An ordinary resolution will be proposed at the AGM to consider and approve the engagement of KPMG as the Company's international auditor for 2024, for a term from the date of approval at the 2023 AGM to the conclusion of the 2024 AGM of the Company. A total remuneration of not more than RMB2 million (excluding relevant taxes and disbursement) for the engagement of the auditor for 2024 is proposed at the AGM for approval.

(7) Provision of a Guarantee for a Subsidiary

Cellularforce, a subsidiary of our Company, obtained a secured bank loan of RMB300 million in 2020 from a bank consortium to support the construction of phase one of the manufacturing facility of Cellularforce (the "**Previous Loan**"). In order to extend the repayment period of such long-term borrowing, reduce short-term repayment pressure and better match Cellularforce's future cash inflows, Cellularforce plans to apply for a credit line of not more than RMB300 million and not less than 5 years from certain commercial banks in the PRC to repay the Previous Loan. The Company plans to provide a guarantee for such credit line.

The Board proposes that the Shareholders authorize the Board at the AGM and then to Board to delegate to Mr. Qiu Jiwan, the chairman of the Company, or the authorized agent designated by him to negotiate with relevant financial institutions with cooperation, and authorized Mr. Qiu Jiwan to sign all contracts, agreements, certificates and other legal documents related to the guarantee for the above credit line on behalf of the Board.

LETTER FROM THE BOARD

Implication under Hong Kong Listing Rules

The application for the above credit line and the provision of a guarantee by the Company to its subsidiary is not subject to reporting, announcement and independent Shareholders' approval requirements under the Hong Kong Listing Rules. According to the Articles, such amount of guarantee to be provided by the Company is subject to Shareholders' approval, the information regarding the guarantee contained in this circular is not prepared in accordance with Chapter 14 or Chapter 14A of the Hong Kong Listing Rules but only prepared to provide information for the Shareholders.

Special Resolution

(8) Proposed Granting of General Mandate to Issue H Shares

In order to ensure flexibility and discretion to the Board, in the event that it becomes desirable to issue any Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to issue H Shares. At the forthcoming AGM, a special resolution will be proposed to grant a general mandate to the Directors, based on market conditions and needs of the Company, to exercise the powers of the Company to allot, issue or otherwise deal with H Shares or securities convertible into such H Shares, options, warrants or similar rights to subscribe for H Shares of the Company up to 20% of total issued Shares as at the date of the passing of the proposed special resolution in relation to such general mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised of 222,071,600 Shares, including 17,322,400 Unlisted Shares and 204,749,200 H Shares. Subject to the passing of the proposed special resolution contained in item 8 of the notice of 2023 AGM and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 44,414,320 H Shares. The general mandate shall be effective from the time the relevant special resolution is passed until the earliest of: (i) the conclusion of the next AGM of the Company; (ii) the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders in a general meeting; or (iii) the expiration of the period within which the next AGM of the Company is required by the Articles of Association or other applicable laws, rules and regulations to be held.

The Board will only exercise its power under the general mandate in accordance with the Listing Rules, and the applicable laws, rules and regulations of government and regulatory bodies of the PRC.

LETTER FROM THE BOARD

3. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the AGM to be held at North Conference Room, 2nd Floor, Building 1, No.907 Yaocheng Avenue, Taizhou City, Jiangsu Province, the PRC on Friday, May 31, 2024 at 2:00 p.m. is set out in this circular.

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, May 16, 2024 to Friday, May 31, 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, holders of the H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, May 14, 2024 (Hong Kong time).

A form of proxy for use at the AGM are enclosed herewith and also published on both the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.qyuns.net>). If you intend to appoint a proxy to attend the AGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM (i.e. at or before 2:00 p.m. on Thursday, May 30, 2024 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM.

4. RECOMMENDATION

The Directors consider that the general mandate to issue H Shares is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

5. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll. Therefore, the resolutions set out in the notice of the 2023 AGM will be voted by poll. The poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the website of the Company at <http://www.qyuns.net> upon the conclusion of the AGM.

Yours faithfully,
For and on behalf of the Board
Qyuns Therapeutics Co., Ltd.
Qiu Jiwan

Chairman of the Board and Executive Director

NOTICE OF 2023 ANNUAL GENERAL MEETING



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)

Notice is hereby given that the AGM of Qyuns Therapeutics Co., Ltd. (the “**Company**”) will be held at North Conference Room, 2nd Floor, Building 1, No.907 Yaocheng Avenue, Taizhou City, Jiangsu Province, the PRC on Friday, May 31, 2024 at 2:00 p.m. for the following purposes:

AS ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the report of the Board of Directors of the Company for the year ended December 31, 2023.
2. To consider and approve the resolution on the report of the Board of Supervisors of the Company for the year ended December 31, 2023.
3. To consider and approve the annual report of the Company for the year ended December 31, 2023.
4. To consider and approve the proposed profit distribution plan of the Company for the year ended December 31, 2023.
5. To consider and approve the 2024 remuneration scheme of the Directors and Supervisors of the Company.
6. To consider and approve the engagement of KPMG as the auditor of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Board to determine their remuneration.
7. To consider and approve the provision of a guarantee by the Company to its subsidiary for a credit line of not more than RMB300 million.

NOTICE OF 2023 ANNUAL GENERAL MEETING

AS SPECIAL RESOLUTION

8. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT:

- (1) the Board be granted an unconditional general mandate to issue, allot or otherwise deal with additional H Shares, and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations, in respect thereof, subject to the following conditions:

- (a) the aggregate amount of shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board pursuant to the mandate above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate number of total issued Shares as at the date of passing this resolution; and

- (b) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as the same may be amended from time to time);

NOTICE OF 2023 ANNUAL GENERAL MEETING

For the purpose of this resolution:

“H Shares” means the overseas listed foreign invested ordinary share in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars;

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- A. the conclusion of the next annual general meeting of the Company; or
- B. the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders in a general meeting; or
- C. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association or other applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).

- (2) subject to the Board resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the Board be authorised to:
 - (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, determining the time and place of issue, making all necessary applications to the relevant authorities, and entering into an underwriting agreement (or any other agreements);
 - (b) determine the use of proceeds and to make all necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and

NOTICE OF 2023 ANNUAL GENERAL MEETING

- (c) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdiction (as appropriate) and to make such amendments to the articles of association of the Company as it thinks fit so as to reflect the increase and any other resultant changes in the registered capital of the Company.”

By Order of the Board
Qyuns Therapeutics Co., Ltd.
Qiu Jiwan
Chairman of the Board and Executive Director

Hong Kong, April 29, 2024

As of the date of this notice, 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, Mr. Wu Zhiqiang and Dr. Xue Mingyu as non-executive Directors, and Dr. Zou Zhongmei, Dr. Ling Jianqun and Mr. Fung Che Wai, Anthony as independent non-executive Directors.

NOTICE OF 2023 ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the articles of association of the Company and the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Thursday, May 16, 2024 to Friday, May 31, 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, holders of the H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, May 14, 2024 (Hong Kong time) for registration.
3. A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies can only vote on a poll.
4. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
5. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time fixed for the meeting (i.e. not later than 2:00 p.m. on Thursday, May 30, 2024 (Hong Kong time)).
6. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was signed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the AGM.
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
8. Shareholders or their proxies shall produce their identification documents for inspection when attending the AGM.
9. The AGM is expected to last for no more than half of a working day. Shareholders and their proxies attending the meeting shall be responsible for their own traveling and accommodation expenses.
10. Designated contact for the AGM:

Telephone No.: +86 523-80276311

Attention: Yanbao Hu