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 IN RELATION TO THE DEVELOPMENT AND POTENTIAL COMMERCIALIZATION PARTNERSHIP OF QX005N WITH ZHONGMEI HUADONG

THE COOPERATION AGREEMENT

The Board is pleased to announce that, on July 19, 2024, the Company entered into a Cooperation Agreement with Zhongmei Huadong, a wholly-owned subsidiary of Huadong Medicine whose shares are listed on the Shenzhen Stock Exchange (stock code: 000963.SZ), pursuant to which the Company has granted to Zhongmei Huadong, in the Authorized Territory and in the Authorized Fields, (i) an exclusive right to jointly develop the Subject Product; (ii) an exclusive optional right to promote the Subject Product (the "**Optional Right**"); and (iii) a right of first refusal for the transfer of MAH of the Subject Product.

The Subject Product, QX005N, is a monoclonal antibody (mAb) blocking IL-4Rα, which has been granted seven IND approvals for indications such as atopic dermatitis, prurigo nodularis and chronic rhinosinusitis with nasal polyps.

Under the Cooperation Agreement, Zhongmei Huadong will conduct clinical and non-clinical studies and registration related work together with the Company. If Zhongmei Huadong exercises the Optional Right, it will be responsible for the marketing and promotion of the Subject Product in the Authorized Territory, whereas the Company will be responsible for the supply and quality control of the Subject Product and its clinical trial samples, which will be produced by Cellularforce, an indirect non-wholly owned subsidiary of our Company.

The scope of cooperation will cover clinical trials of the following indications: (i) Phase III and related extended treatment studies in adults with atopic dermatitis ("**AD**"); and (ii) Phase III and related studies of extended treatment of prurigo nodularis ("**PN**"). The development of other indications (including other indications that have already received IND approvals and other potential new indications) will be subject to discussion and unanimous approval by the JDC and written confirmation of both parties.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE COOPERATION AGREEMENT

It would be in the best interest of our Group to collaborate with a business partner that is a large pharmaceutical company with strong development and commercialization capabilities nationwide as well as abundant clinical resources to accelerate the development of the Subject Product. It is also in line with industry practice and commercially beneficial for our Group since the cooperation with Zhongmei Huadong is conducive to (i) fully expanding multiple indications of the Subject Product to unleash the value of the product; (ii) accelerating the development progress of the existing Phase III clinical trials of the Subject Product and bringing more financial support to the Group; and (iii) enhancing the commercialization potential of the Subject Product in the future. The Cooperation Agreement allows our Group to leverage the resources and existing capabilities of Zhongmei Huadong to establish an advantageous position in relevant markets expeditiously and enhance the Group's long-term growth potential and comprehensive competitiveness.

IMPLICATIONS UNDER CHAPTER 14A OF THE LISTING RULES

As at the date of this announcement, Zhongmei Huadong is our substantial shareholder holding 16.17% of the issued share capital of the Company and is therefore a connected person of our Company as defined under the Listing Rules. Accordingly, the entering into the Cooperation Agreement and the sharing of the Clinical Development and Registration Fee would constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the highest of the applicable percentage ratios (other than the profit ratio) in respect of the proposed annual caps of the Clinical Development and Registration Fee payable by Zhongmei Huadong to the Company exceeds 5%, the payments are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event Zhongmei Huadong exercises the Optional Right, the payment of the Marketing Service Fee will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The parties will enter into supplemental agreement(s) to determine the marketing service fee rate before commercialization of the Subject Product and the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules, including independent shareholders' approval.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Cooperation Agreement (including the transactions contemplated thereunder, other than the payment of the Marketing Service Fee). The Circular, which will contain, among other things, (i) details of the Cooperation Agreement (including the transactions contemplated thereunder, other than the payment of the Marketing Service Fee), (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 and (iv) notice of the EGM, will be dispatched to the Shareholders on or about August 20, 2024 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. THE COOPERATION AGREEMENT

1. Background

The Board is pleased to announce that, on July 19, 2024, the Company entered into a Cooperation Agreement with Zhongmei Huadong, a wholly-owned subsidiary of Huadong Medicine whose shares are listed on the Shenzhen Stock Exchange (stock code: 000963. SZ), pursuant to which the Company has granted to Zhongmei Huadong, in the Authorized Territory and in the Authorized Fields, (i) an exclusive right to jointly develop the Subject Product; (ii) the Optional Right; and (iii) a right of first refusal for the transfer of MAH of the Subject Product.

The Subject Product, QX005N, is a monoclonal antibody (mAb) blocking IL-4Rα , which has been granted seven IND approvals for indications such as atopic dermatitis, prurigo nodularis and chronic rhinosinusitis with nasal polyps.

Under the Cooperation Agreement, Zhongmei Huadong will conduct clinical and non-clinical studies and registration related work together with the Company. If Zhongmei Huadong exercises the Optional Right, it will be responsible for the marketing and promotion of the Subject Product in the Authorized Territory, whereas the Company will be responsible for the supply and quality control of the Subject Product and its clinical trial samples, which will be produced by Cellularforce, an indirect non-wholly owned subsidiary of our Company.

The scope of cooperation will cover clinical trials of the following indications: (i) Phase III and related extended treatment studies in adults with atopic dermatitis ("**AD**"); and (ii) Phase III and related studies of extended treatment of prurigo nodularis ("**PN**"). The development of other indications (including other indications that have already received IND approvals and other potential new indications) will be subject to discussion and unanimous approval by the JDC and written confirmation of both parties.

2. Principal terms of the Cooperation Agreement

The principal terms of the Cooperation Agreement are set out below.

Parties: (1) Zhongmei Huadong; and

(2) the Company

Term: From July 19, 2024 until 15 years after the marketing authorization is granted for the first indication of the Subject Product. The term is automatically renewable for 5 years after the expiration of the above period.

Conditions precedent: The Cooperation Agreement is conditional upon:

(1) full compliance with the Listing Rules with respect to the Cooperation Agreement (and the transactions contemplated thereunder) by the Company; and

(2) the Independent Shareholders having passed the resolution at the EGM for approving the Cooperation Agreement (and the transactions contemplated thereunder).

Cooperation arrangement: During the term of the Cooperation Agreement, the Company will grant to Zhongmei Huadong, in the Authorized Territory and in the Authorized Fields, (i) an exclusive right to jointly develop the Subject Product; (ii) the Optional Right; and (iii) a right of first refusal for the transfer of MAH of the Subject Product. Below sets out the details of these rights.

(a) Exclusive rights to jointly develop the Subject Product:

(i) collaborating with the Company on conducting clinical and non-clinical studies related to the Subject Product; (ii) collaborating with the Company to prepare and submit data or information relating to the Subject Product for obtaining the regulatory approval for clinical trials and to obtain, support or maintain regulatory approval for the Subject Product.

(b) Optional Right:

(i) exclusively promoting the indications of the Subject Product which has obtained marketing authorization; (ii) conducting activities related to market access; (iii) conducting centralized marketing and medical affairs activities related to the Subject Product; and (iv) other rights and obligations as set out in the Cooperation Agreement.

During the period from the effective date of the Cooperation Agreement until six months after the marketing authorization application for the Subject Product has been submitted and accepted by the regulatory authority, Zhongmei Huadong shall decide whether to exercise this Optional Right and shall notify the Company in writing.

(c) Right of first refusal for the transfer of MAH:

In the event that the Company intends to transfer the MAH to a third party or receives an invitation from a third party for such transfer, Zhongmei Huadong shall have the right of first refusal in the transfer of MAH of the Subject Product under the same conditions of cooperation, and both parties shall make their best efforts to negotiate amicably and sign a formal agreement for the transfer. In the event that a third party is willing to participate in the negotiation of the transfer of the MAH, Zhongmei Huadong shall have the right to decide whether to exercise the right of first refusal for the transfer of MAH within 30 Business Days upon receipt of the third-party cooperation proposal.

Under the Cooperation Agreement, both parties will be jointly responsible for the clinical development and registration of the Subject Product. The Company has the exclusive right to develop and market the Subject Product outside the Authorized Territory and the Authorized Fields. Moreover, being the MAH of the Subject Product, the Company will be responsible for the manufacturing, distribution and pharmacovigilance of the Subject Product.

If Zhongmei Huadong chooses to exercise the Optional Right, Zhongmei Huadong will also have a right to sublicense all or part of this right to any third party after obtaining the Company's written consent. No such consent is required if Zhongmei Huadong sublicenses to its Related Parties.

Within 18 months prior to the commercialization of the Subject Product, the Company shall enter into an entrusted production and processing agreement with Cellularforce, and a commercialization supply agreement with Zhongmei Huadong.

To facilitate the cooperation arrangement, two committees will be established, namely the Joint Development Committee ("**JDC**") and the Joint Supervision Committee ("**JSC**"), to manage and supervise clinical development and commercialization of the Subject Product, respectively. Each of these committee will comprise of six members, of which each party will appoint three members respectively.

The cost/profit sharing arrangement between the Company and Zhongmei Huadong will be as follows:

(1) Before commercialization of the Subject Product, each party is responsible for 50% of the following clinical development and registration fees (the "**Clinical Development and Registration Fee**"):

a. Clinical expenses which shall include the costs of the following activities involved in the clinical trials of the Subject Product approved by the JDC, including insurance of the Subject Product, patient recruitment, access to clinical trial organization and all related expenses required to conduct clinical trials, conference fees, expert fees, hospitality and travelling expenses, hospital equipment and supplies, reproductive toxicity study expenses, FTE expenses incurred by both parties to support the above activities, services provided by third party service providers, and other relevant expenses incurred in relation to the above activities as approved by the JDC; and

b. Registration fees which shall include all expenses related to registration activities conducted for the purpose of marketing the Subject Product, including evaluation fees and related fees of the National Institutes for Food and Drug Control (中國食品藥品檢定研究院).

The JDC shall develop clinical protocols and budgets for the throughout the entire clinical trials. JDC will convene quarterly meetings to confirm the clinical expenses incurred during that quarter.

(2) Upon and after commercialization of the Subject Product, the Company shall pay to Zhongmei Huadong an exclusive marketing service fee (tax inclusive) (the "**Marketing Service Fee**"), which shall be equivalent to *Net Sales revenue generated from the sale of the Subject Project x marketing service fee rate*. The marketing service fee rate shall be negotiated based on the commercial value of the Subject Product and the parties will enter into a supplemental agreement(s) to agree on the marketing service fee rate before commercialization of the Subject Product. Further announcement will be made when the supplemental agreement is entered into. The Company will comply with the applicable requirements under Chapter 14A of the Listing Rules, including independent shareholders' approval.

Payment terms: (1) Before commercialization of the Subject Product:

a. All the Clinical Development and Registration Fee incurred shall be paid by the Company in advance.

b. After the Subject Product has achieved the following milestones, Zhongmei Huadong will pay the Company the following registration milestone payment (tax exclusive) within 30 Business Days after the achievement of the relevant milestone, less any expenses for clinical development and registration incurred by Zhongmei Huadong:

Event	**AD in adults**	**PN**
First patient dosing in Phase III clinical study in China	RMB 30.0 million	RMB 15.0 million
Last patient dosing in Phase III clinical study in China	RMB 20.0 million	RMB 15.0 million
Independent Review Committee's written confirmation of achievement of the primary clinical endpoint	RMB 20.0 million	RMB 15.0 million

c. Remaining clinical development fees: Within 30 Business Days after Zhongmei Huadong and the Company having received the Phase III clinical study report, the study of which is conducted with JDC's approval, officially issued by a research organization for any single indication of the Subject Product, and obtained a positive result compared with the placebo, Zhongmei Huadong shall pay the Company the remaining clinical development fees which is equivalent to 50% of the clinical expenses for the indication confirmed by the JDC less the corresponding milestone payment that Zhongmei Huadong has already made. The remaining clinical development fees of each indication shall be calculated individually.

d. Within 30 Business Days after the Subject Product is granted marketing approval, Zhongmei Huadong shall pay the Company 50% of the registration fee as confirmed by the JDC.

(2) Upon and after commercialization of the Subject Product:

a. Within five days after the end of each month, both parties shall confirm the Net Sales amount received in the previous month and the Company shall pay Zhongmei Huadong the Marketing Service Fee of that month.

b. Within the first month after the end of each sales year, both parties shall confirm the annual Net Sales amount received of the previous sales year and the Company shall pay Zhongmei Huadong for any shortfall of the Marketing Service Fee. If the Company has previously paid excess Marketing Service Fee during the annual review, such excess shall be deducted in the next payment to be made by the Company.

c. In the event of discrepancies in the Net Sales amount between the parties, it shall first be confirmed through negotiation. If no consensus is reached, a mutually agreed annual audit firm may be appointed to conduct a special audit, the result of which is binding on the parties.

d. The Company shall bear the costs of commercial distribution of the Subject Product and taxes and fees in circulation process.

IP Rights: The Company will grant Zhongmei Huadong a non-exclusive license to use the IP rights set forth in the Cooperation Agreement, provided that the use of such IP rights shall be limited for the intended marketing and promotion services.

After the Cooperation Agreement becomes effective, any intellectual property rights and technical secrets jointly developed by both parties in relation to the Subject Product (the "**Joint IP Rights**") shall be jointly owned by both parties. Each party will grant to other party an exclusive license under the Cooperation Agreement to the other party to use the Joint IP Rights solely for the purpose of commercialization of the Subject Product. The Company shall have the right to use the Joint IP Rights outside the Authorized Territory at nil consideration.

Termination: The Cooperation Agreement may be terminated by mutual agreement by both parties or either party shall have the right to terminate the Cooperation Agreement immediately upon written notice to the other party upon the occurrence of: (i) the other party becoming insolvent, being adjudicated bankrupt, filing a petition for bankruptcy (whether voluntary or not), transferring assets for the benefit of creditors, other similar relief or losing the financial ability to perform its obligations hereunder; and (ii) the foregoing is not eliminated within 90 days from the date of such occurrence.

In the event that (i) the Subject Product eventually fails to obtain the marketing approval from the National Medical Products Administration (國家藥品監督管理局), or (ii) Zhongmei Huadong chooses not to exercise the Optional Right, or (iii) Zhongmei Huadong exercises the Optional Right but the parties are unable to agree on the rate of the Marketing Service Fee, Zhongmei Huadong shall have the right to unilaterally terminate the Cooperation Agreement by giving a 30-day written notice. The Company shall return the payment received in full to Zhongmei Huadong, and shall pay Zhongmei Huadong an interest of 5% per annum on the entire amount paid. Zhongmei Huadong shall return all the project-related information and materials to the Company, and shall cease to have any interest in the project.

3. Proposed annual caps and basis of the Clinical Development and Registration Fee

The sharing of 50% of the Clinical Development and Registration Fee between the Company and Zhongmei Huadong is determined after arm's length negotiations between the parties with reference to the prevailing market rates for joint development of the Subject Product. Our Directors estimate that for each of the three years ending December 31, 2026, the amount of the Clinical Development and Registration Fee (tax exclusive) payable by Zhongmei Huadong to our Company under the Cooperation Agreement will not exceed RMB45 million, RMB70 million and RMB135 million, respectively. In arriving at the above estimated cap for expenses to be incurred before commercialization, the Directors have made reference to the industry practices and budget for clinical studies, and considered: (i) the first milestone for AD in adults and PN, namely the first patient dosing in Phase III clinical study in China, has been achieved in May 2024; (ii) the second and third milestones for AD in adults and PN, namely the last patient dosing in Phase III clinical study in China and obtaining the Independent Review Committee's written confirmation of achievement of the primary clinical endpoint, shall be completed by the end of 2025; and (iii) the remaining clinical development fees of the estimated sum of no more than RMB135 million, are expected to be paid by Zhongmei Huadong to the Company by the end of 2026. If any further Clinical Development and Registration Fee will be incurred after three years ending December 31, 2026, the Company will re-comply with the applicable requirements under Chapter 14A of the Listing Rules to set annual cap(s).

When determining the formula for the Marketing Service Fee, the parties made reference to factors including, among others, the reasons and benefits for entering into the cooperation arrangement, the prevailing market practices of the sharing ratio in relation to the cooperation arrangement as well as the proportion of costs to revenue to be incurred by both parties. There will be no Marketing Service Fee incurred from the date of signing the Cooperation Agreement to the commercialization of the Subject Product in the Authorized Territory and in the Authorized Fields.

II. IMPLICATIONS UNDER CHAPTER 14A OF THE LISTING RULES

As at the date of this announcement, Zhongmei Huadong is our substantial shareholder holding 16.17% of the issued share capital of the Company and is therefore a connected person of our Company as defined under the Listing Rules. Accordingly, the entering into the Cooperation Agreement and the sharing of the Clinical Development and Registration Fee would constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the highest of the applicable percentage ratios (other than the profit ratio) in respect of the proposed annual caps of the Clinical Development and Registration Fee payable by Zhongmei Huadong to the Company exceeds 5%, the payments are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event Zhongmei Huadong exercises the Optional Right, the payment of the Marketing Service Fee will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The parties will enter into supplemental agreement(s) to determine the marketing service fee rate before commercialization of the Subject Product and the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules, including independent shareholders' approval.

III. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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, is an ideal business partner for our Group due to their strong development and commercialization capabilities at a national level. We believe that this collaboration could utilize Zhongmei Huadong's abundant clinical resources and marketing network in autoimmune and allergic diseases, along with their experience in chronic disease management.

Moreover, the Cooperation Agreement could enable both parties to leverage their strengths and share the value of the Subject Product proportionate to their respective contributions in R&D and sales and marketing. This approach aligns with industry practice and is beneficial for our Group since the cooperation with Zhongmei Huadong will facilitate the full exploration of the potential value of the Subject Product and bring more financial support to our Group.

Additionally, the Cooperation Agreement facilitates risks and costs sharing in advancing clinical trials and commercialization of the Subject Product. It enables the pooling of resources and capabilities from both parties to establish a competitive position in relevant markets expeditiously, to accelerate the development of the Subject Product, and to enhance the Group's long-term growth potential and comprehensive competitiveness.

IV. RECOMMENDATION OF THE BOARD

Having regard to the reasons for, and benefits of, the Cooperation Agreement as set out above, the Directors (other than 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 Cooperation Agreement (including the transactions contemplated thereunder, other than the payment of the Marketing Service Fee) is in the ordinary and usual course of business of the Group, has been entered into on normal commercial terms, and the terms therein 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 resolution approving the transactions contemplated under the Cooperation Agreement.

V. INFORMATION OF THE PARTIES

The Company

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

VI. GENERAL

1. EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Cooperation Agreement (including the transactions contemplated thereunder, other than the payment of the Marketing Service Fee).

As at the date of this announcement, Zhongmei Huadong holds 16.17% of the issued share capital of the Company. Accordingly, Zhongmei Huadong and its associates are required to abstain from voting on the resolution to approve the Cooperation Agreement at the EGM. As far as the Directors are aware, having made all reasonable enquiries, save for Zhongmei Huadong, no other Shareholders are required to abstain from voting on the resolution referred to above at the EGM.

2. Circular and Notice of EGM

The Circular, which will contain, among other things, (i) details of the Cooperation Agreement (including the transactions contemplated thereunder, other than the payment of the Marketing Service Fee), (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 Cooperation Agreement (including the transactions contemplated thereunder) and (iv) notice of the EGM, will be dispatched to the Shareholders on or about August 20, 2024 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.

3. Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all of the independent non-executive Directors, will be established to advise the Independent Shareholders.

The Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Cooperation Agreement.

VII. DEFINITIONS

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

"Authorized Fields"	the fields where the Subject Product, alone or in combination with other products, is suitable for use in the diagnosis, prevention and treatment of all human diseases, for all indications, in any dosage form, in any dosage and in any packaging
"Authorized Territory"	the Greater China, including Mainland China, Hong Kong, Macau Special Administrative Region of China and Taiwan
"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
"Circular"	the circular relating to the Cooperation Agreement to be dispatched to the Shareholders on or about August 20, 2024 in accordance with the Listing Rules
"Company"	Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥股份有限公司) (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
"Cooperation Agreement"	the Cooperation Agreement dated July 19, 2024 entered into by the Company and Zhongmei Huadong for joint development and commercialization of the Subject Product

"Director(s)"	the director(s) of the Company
"connected person(s)"	has the meanings ascribed to them under the Listing Rules (as modified by the Stock Exchange from time to time)
"EGM"	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Cooperation Agreement (including the transactions contemplated thereunder)
"FTE"	the full-time equivalent of the annual workload (2,000 hours per year) of each of the parties' active employees directly related to the co-development of the Subject Product, prorated on a daily basis as necessary. The FTE is RMB400,000 per person/year in the case of Zhongmei Huadong and RMB300,000 per person/year in the case of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"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)
"IND"	investigational new drug
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors
"Independent Financial Adviser"	the independent financial adviser to be appointed by the Company in relation to the Cooperation Agreement
"Independent Shareholders"	Shareholders of the Company other than Zhongmei Huadong
"IP Rights"	the IP rights of the Subject Product under the Cooperation Agreement, including patents, patent applications, designs, utility models, trademarks, domain names, copyrights, confidential information, trade secrets, trade names and other similar rights, and any interest in any of the foregoing (whether or not registered or enrolled, and shall include the granting of applications for the foregoing as well as the right to file applications for the foregoing anywhere in the world)

"JDC"	the Joint Development Committee to be formed by the Company and Zhongmei Huadong, comprised of six members (three members from each party), which will be the main management and executive body during the clinical cooperative development stage of the Subject Product. The JDC shall be established within one week from the date of signing the Cooperation Agreement
"JSC"	the Joint Supervision Committee to be formed by the Company and Zhongmei Huadong, comprised of six members (three members from each party), which will be responsible for coordinating product marketing, sales, production and commercialization related matters. The JSC shall be established within 12 months from the date of signing the Cooperation Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MAH"	marketing authorization holder
"Net Sales"	the actual gross invoiced revenue from the sale of the Subject Product by the Company or its sub-licensees to third parties in the Authorized Territory, less the followings which may be deducted from the revenue of the Subject Product based on actual circumstances (if have not been deducted from the invoiced amount): (i) commercial discounts; (ii) refunds or discounts resulting from product returns or recalls; (iii) taxes, duties, or other governmental levies (excluding corporate income tax); and (iv) government mandatory discounts.
"Optional Right"	an exclusive optional right granted by the Company to Zhongmei Huadong to promote the Subject Product in the Authorized Territory and in the Authorized Fields
"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
"Related Parties"	a person, corporation, partnership or other entity controlling it or controlled by it. "Control" (including, with related meanings, "being controlled" or "being under common control") means directing or managing a party, directly or indirectly, through one or more intermediaries, whether by holding 50% or more of the voting shares of a party, by agreement or other means
"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
"Subject Product"	QX005N, a monoclonal antibody (mAb) blocking IL-4Rα and one of the Company's core products
"Taizhou Huacheng"	Taizhou Huacheng Medical Investment Group Co., Ltd. (泰州華誠醫學投資集團有限公司), a company established in the PRC and controlled by Taizhou Medicine City Holding Group Co., Ltd. (泰州醫藥城控股集團有限公司), a company wholly owned by the Management Committee of Taizhou Medical New and High-tech Industrial Development Zone (泰州醫藥高新技術產業開發區管理委員會), which is an administrative agency of Jiangsu Provincial Committee of the Communist Party of China (中國共產黨江蘇省委員會) and Jiangsu Provincial People's Government (江蘇省人民政府)
"VAT"	value-added tax
"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, a substantial shareholder of the Company and 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, July 21, 2024

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, 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.