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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)

**DISCLOSEABLE TRANSACTIONS IN RELATION TO
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that the Company has entered into the subscription agreements with PDB, JSB and ICBC respectively to subscribe for certain wealth management products offered by PDB, JSB and ICBC, the principal terms of which are set out below.

1. PDB Subscription

PDB Subscription I

On April 12, 2024, the Company entered into a subscription agreement with PDB, pursuant to which the Company agreed to subscribe for wealth management products offered by PDB with a principal amount of RMB60 million and a maturity date of July 15, 2024 (the “**PDB Subscription I**”), details of which are set out below:

Product name	Confirmation date		Principal amount of subscription	Expected yield of the product (per annum)	Product type	Risk level of the product
	of subscription	Maturity date				
Liduoduo Corporate Stable Profit 24JG5402 (Three Level Bullish) RMB Public Structured Deposit (利多公司穩利24JG5402期(三層看漲)人民幣對公結構性存款)	April 15, 2024	July 15, 2024	RMB60 million	The product has a guaranteed yield of 1.20% and a floating yield of 0% or 1.10% (mid-range floating yield) or 1.30% (high-range floating yield)	Principal-guaranteed floating-yield type	Low risk (internal risk assessment results of PDB, for reference only)

PDB Subscription II

On May 29, 2024, the Company entered into a subscription agreement with PDB, pursuant to which the Company agreed to subscribe for wealth management products offered by PDB with a principal amount of RMB100 million and a maturity date of June 28, 2024 (the “**PDB Subscription II**”), details of which are set out below:

Product name	Confirmation date		Principal amount of subscription	Expected rate of return of the product (per annum)	Product type	Risk level of the product
	of subscription	Maturity date				
Liduoduo Corporate Stable Profit 24JG3294 (Monthly Rollover) RMB Public Structured Deposit (利多多公司穩利24JG3294期(月月滾利)人民幣對公結構性存款)	June 3, 2024	June 28, 2024	RMB100 million	The product has a guaranteed yield of 1.20% and a floating yield of 0% or 1.30% (mid-range floating yield) or 1.50% (high-range floating yield)	Principal-guaranteed floating-yield type	Low risk (internal risk assessment results of PDB, for reference only)

On the date of execution of the subscription agreement in respect of the PDB Subscription II, the PDB Subscription I remained outstanding.

2. JSB Subscription

On April 18, 2024, the Company entered into a subscription agreement with JSB (the “**JSB Subscription Agreement**”), pursuant to which the Company agreed to subscribe for wealth management products offered by JSB with a subscription amount of RMB50 million and a maturity date of July 24, 2024 (the “**JSB Subscription**”), details of which are set out below:

Product name	Interest commencement date	Maturity date	Principal amount of subscription	Expected annualized yield	Product type	Risk level of the product

3. ICBC Subscription

On June 4, 2024, the Company entered into a subscription agreement with ICBC (the “**ICBC Subscription Agreement**”), pursuant to which the Company agreed to subscribe for wealth management products offered by ICBC with a principal amount of RMB50 million and a maturity date of July 8, 2024 (the “**ICBC Subscription**”), details of which are set out below:

Product name	Product commencement date	Maturity date	Principal amount of subscription	Expected annualized yield	Product type	Risk level of the product
ICBC Linked Exchange Rate Range Cumulative Corporate RMB Structured Deposit Product – Special Account 2024 No. 228 Type-D (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品-專戶型2024年第228期D款)	June 6, 2024	July 8, 2024	RMB50 million	Expected minimum annualized yield of 0.95%; maximum annualized yield of 2.29%	Principal-guaranteed floating-yield type	Grade PR1 (internal risk assessment results of ICBC, for reference only)

BASIS OF CONSIDERATION

The Board confirms that the consideration for each of the PDB Subscription I, the PDB Subscription II, the JSB Subscription and the ICBC Subscription (collectively, the “**Subscriptions**”) was determined in accordance with commercial terms negotiated at arm’s length between the Company and each of PDB, JSB and ICBC, taking into account (i) the then surplus cash available to the Company for capital management; (ii) the expected investment return and terms of the Subscriptions; and (iii) prevailing market interest rates and practices. The Subscriptions were financed by the Company’s own funds (other than the proceeds from the initial public offering).

INFORMATION OF THE PARTIES

Qyuns

The Company was incorporated in the PRC in 2015 and its shares are listed on the Main Board of the Stock Exchange (stock code: 2509). The Company is a clinical-stage biotech company focused on biologic therapies for autoimmune and allergic diseases, with a self-developed drug pipeline and mature commercial-scale in-house manufacturing capacity. The Company’s product pipeline covers four major areas in the autoimmune and allergic disease field, namely, skin, rheumatic, respiratory and digestive diseases.

PDB

To the best knowledge of the Directors, PDB is a commercial bank principally engaged in banking services and its shares are listed on the Shanghai Stock Exchange (stock code: 600000).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the public information available to the Company, PDB and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

JSB

To the best knowledge of the Directors, JSB is a commercial bank principally engaged in banking services and its shares are listed on the Shanghai Stock Exchange (stock code: 600919).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the public information available to the Company, JSB and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

ICBC

To the best knowledge of the Directors, ICBC is a commercial bank principally engaged in banking services, and its H shares are listed on the Stock Exchange (stock code: 1398); its A shares are listed on the Shanghai Stock Exchange (stock code: 601398).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the public information available to the Company, ICBC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Company made the Subscriptions for the purpose of capital management to maximize the use of its idle funds in order to achieve a balanced return while maintaining a high level of liquidity and a low level of risk. Taking into account, among other things, the low level of risk and the expected yield of the wealth management products, the Company is of the view that each of the Subscriptions will provide the Group with a better yield than those of the deposits generally offered by commercial banks and will enhance the overall profitability of the Company. The Company has monitored and managed the Subscriptions closely and effectively and will continue to monitor and manage the Subscriptions closely and effectively.

Having considered that each of the Subscriptions is a principal-guaranteed floating-yield bank structured deposit which has been carefully assessed and categorized as of relatively low risk and with reference to similar products in the market and their general yields, the Board is of the view that the terms of the Subscriptions are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. The Group has implemented adequate and appropriate internal control procedures to ensure that the Subscriptions will not affect the working capital or operations of the Group and that such investments will be made under the principle of safeguarding the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the PDB Subscription I and the PDB Subscription II are each subscribed from the same bank, are similar in nature and are made within 12 months, they will be aggregated for the purpose of calculating the highest applicable percentage ratio in accordance with Rule 14.22 of the Listing Rules as if they were one single transaction, and as the highest applicable percentage ratio (on an aggregated basis) in respect of the PDB Subscription I and the PDB Subscription II exceeds 5% but is less than 25%, the PDB Subscription I and the PDB Subscription II constitute a discloseable transaction of the Company under the Listing Rules, and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (on a standalone basis) for each of the JSB Subscription and the ICBC Subscription is more than 5% but less than 25%, each of the JSB Subscription and the ICBC Subscription constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

REMEDIAL ACTIONS

The Company shall publish an announcement in respect of each of the PDB Subscription I, the PDB Subscription II, the JSB Subscription and the ICBC Subscription as and when such obligations arise. The Company acknowledges that the notification and announcement obligations under Chapter 14 of the Listing Rules in relation to the PDB Subscription I, the PDB Subscription II, the JSB Subscription and the ICBC Subscription have been delayed due to the Company's inadvertent negligence. The Company's negligence was inadvertent as it is a part of the normal course of business of the Group to utilize its surplus cash reserves to enhance the capital efficiency and generate additional returns. The Company wishes to emphasize that it has no intention of withholding any information that is required to be disclosed to the public under the Listing Rules. The Company has been and will continue to place great emphasis on the importance of compliance with the Listing Rules and risk assessment of the subscription of wealth management products and will avoid the recurrence of similar incidents in the future.

In order to avoid the recurrence of similar incidents in the future and to promote and ensure continued compliance with the Listing Rules, to which the Company attaches great importance, the Company will continue to strengthen its internal control management and exercise stringent control over the supervision of compliance and risk control matters of the Company's operating activities so as to avoid the recurrence of similar incidents. Specifically, the Company will (i) strengthen the coordination and reporting arrangements for notifiable transactions within the Group; (ii) designate specific employees to monitor the amount of any transactions subject to compliance with Chapter 14 of the Listing Rules; (iii) arrange for more training on regulatory compliance matters in respect of notifiable transactions for the Directors, senior management and responsible persons on a regular basis so as to enhance their understanding of the importance of complying with the Listing Rules; (iv) strengthen the Group's internal measures to regularly review and check the calculation of the size test for transactions; and (v) continue to work closely with its legal advisers to ensure compliance with the Listing Rules.

In addition, for the day-to-day management of corporate funds, the Company will establish a capital management committee chaired by Mr. Qiu Jiwan, an executive Director, the chairman of the Board, the chief executive officer and the general manager, with members including Mr. Lin Weidong, an executive Director and the deputy general manager, and Ms. Fang Jiali, the internal control manager, which is responsible for monitoring the capital operation of the Company and meeting the relevant disclosure compliance requirements under the Listing Rules. In respect of corporate governance, the Company will establish a corporate governance committee chaired by Mr. Fung Che Wai, Anthony, an independent non-executive Director, with members including Mr. Lin Weidong and Mr. Hu Yanbao, the secretary to the Board and a joint company secretary, which is mainly responsible for information disclosure as required under the Listing Rules and corporate governance enhancement.

In the future, the Company will continue to comply with the management procedures for its investments in wealth management products and make relevant disclosures in a timely manner to ensure compliance with the requirements of the Listing Rules.

DEFINITIONS

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

“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 limited liability company incorporated in the PRC in 2015, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2509)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PDB”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司)
“PDB Subscription I”	subscription by the Company for wealth management products offered by PDB with a principal amount of RMB60 million and a maturity date of July 15, 2024
“PDB Subscription II”	subscription by the Company for wealth management products offered by PDB with a principal amount of RMB100 million and a maturity date of June 28, 2024

“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
“ICBC Subscription”	subscription by the Company for wealth management products offered by ICBC with a principal amount of RMB50 million and a maturity date of July 8, 2024
“JSB”	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
“JSB Subscription”	subscription by the Company for wealth management products offered by JSB with a principal amount of RMB50 million and a maturity date of July 24, 2024
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, July 2, 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.