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.

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) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF ANNUAL CAPS FOR THE QX001S FRAMEWORK AGREEMENT; (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY; AND (3) NOTICE OF EGM

Independent Financial Adviser to
The Independent Board Committee and Independent Shareholders

Ignite Capital

A letter from the Board is set out on pages 5 to 17 of this circular.

The notice convening the EGM 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, December 19, 2025 at 2:00 p.m. is set out in this circular. A form of proxy for use at the EGM are enclosed herewith and also published on both the websites of the Stock Exchange (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, December 18, 2025 (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 EGM or any adjournment thereof.

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

December 4, 2025

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

"associate(s)"	has the meanings ascribed to them under the Listing Rules (as modified by the Stock Exchange from time to time)
"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
"EGM"	the extraordinary 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, December 19, 2025 at 2:00 p.m. for the Independent Shareholders to consider and, if thought fit, approve the renewal of the New Annual Caps for the three financial years from 2026 to 2028 for the Continuing Connected Transactions under the QX001S Framework Agreement, and to consider and, if thought fit, approve the proposed amendments of the articles of association
"Existing Annual Caps"	The annual caps for 2024 and 2025 in respect of the Continuing Connected Transaction 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 our Company for which an application has been made for listing and permission to trade on the Stock Exchange
"Hangzhou Quanyi"	Hangzhou Quanyi Investment Management Partnership (General Partnership) (杭州荃毅投資管理合夥企業(普通合夥)), a general partnership established in the PRC on May 15, 2015 and one of our Controlling Shareholders, which is owned as to 50% by Mr. Qiu and 50% by Mr. Yu Guo'an, both as its general partners acting in concert
"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
"Latest Practicable Date"	December 2, 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"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 circular, 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
"Shanghai Quanyou"	Shanghai Quanyou Fanyue Investment Management Partnership (Limited Partnership) (上海荃友凡悦投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 2, 2015 and one of our Controlling Shareholders
"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

"Xinfu Tongxin"	Taizhou Xinfu Tongxin Enterprise Management Partnership (Limited Partnership) (泰州信孚同心企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 19, 2021, is one of our employee share incentive platforms and one of our Controlling Shareholders
"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

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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:
Room 1912, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

December 4, 2025

To the Shareholders

Dear Sir or Madam,

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF ANNUAL CAPS FOR THE QX001S FRAMEWORK AGREEMENT; (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY; AND (3) NOTICE OF EGM

I. INTRODUCTION

Reference is made to the announcement of the Company dated November 11, 2025 in relation to the renewal of the New Annual Caps for the three financial years ending 2026 to 2028 pursuant to the term of the QX001S Framework Agreement in respect of the Continuing Connected Transactions.

The purpose of this circular is to provide you with further information including, inter alia, (i) information about the New Annual Caps, (ii) a letter from the independent board committee containing its recommendations 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 of association, and (v) notice of the EGM.

II. MATTER TO BE RESOLVED AT THE EGM

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 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 12, 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 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.

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 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 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 and a cost-plus margin of 25% for such manufacturing (the "**Markup**"), and on a priority basis. As disclosed in the Prospectus, Cellularforce as our CMC-focused subsidiary, charged the fees under the CDMO related transactions and testing services determined on a cost-plus basis, with the cost-plus margin ranging from approximately 5% to 30% of the cost depending on the nature, scope and complexity of services and testing services to be provided, and the expected cost and expenses for provision of the required services and the prevailing market price for similar services. The parties adopted the same basis to determine the fee mechanism when entered into the QX001S Framework Agreement and the QX001S Supply Agreement.

Matters related to Product Supply have covered the renting of Cellularforce's laboratory premises, materials, reagents and equipments for sampling and testing of SAILEXIN 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 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 in China (as calculated pursuant to the QX001S Framework Agreement), after setting off the accumulative losses attributable to the commercialization of SAILEXIN 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 will be further deducted from our portion of the pre-tax profit receivable and attributed to Zhongmei Huadong's portion instead (the "**Profit Sharing**"). As disclosed in the Prospectus, the Directors are of the view that the basis of the profit sharing ratio, having taken into account various factors, including but not limited to the expenses incurred and to be incurred for the development of QX001S borne by both parties, expected prospects of the development and commercialization of QX001S in the PRC, rights and obligations of both parties under the QX001S Framework Agreement and the reasons and benefits of the transactions contemplated under the QX001S Framework Agreement, is fair and reasonable.

According to the QX001S Framework Agreement and the QX001S Supply Agreement, for Product Supply, after products ordered by Zhongmei Huadong are delivered, Cellularforce will issue invoice and other payment documents to Zhongmei Huadong. Should Zhongmei Huadong receive the aforementioned documents by the 25th of the current month, payment shall be made in the following month. Should Zhongmei Huadong receive the aforementioned documents after the 25th of the current month, payment shall be made in the month after next. For Profit Sharing, the Company will confirm the financial information with Zhongmei Huadong 30 days after the end of the financial year and the amount to be paid to the Company, and the payment will be settled within 10 days.

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 10 months ended October 31, 2025 for the continuing connected transactions under the QX001S Framework Agreement are as follows:

	Existing Annual Cap		**Historical Figures**	
(RMB'000)	**2024**	**2025**	**For the year ended December 31, 2024**	**For 10 months ended October 31, 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	7,795 *(Note 1)*
Profit Sharing (payment to be received by the Group from Zhongmei Huadong under the QX001S Framework Agreement)	5,000	38,000	0	4,993 *(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:

	New Annual Caps		
(RMB'000)	**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 considered the sales forecast of SAILEXIN from 2026 to 2028 provided by Zhongmei Huadong and the expected production costs of SAILEXIN in the coming years. The Directors have taken into account: (i) the historical transaction amounts of revenue from supply of products in 2025 under the QX001S Supply Agreement, where the trends in the amount and quantity of supply of products are basically in line with the projections made for 2024. However, SAILEXIN was only in early stage of commercialisation in 2024 and 2025 and the historical transaction amounts are not weighted much when determining the caps; (ii) the expected units to be supplied to Zhongmei Huadong and expected growth of anticipated demand of products ranges from 54% to 109% under the sales forecast. The growth rates adopted in the respective year are after considered (a) the current sales and marketing situation of SAILEXIN, in particular, as of June 30, 2025, shipments from us to Zhongmei Huadong exceeded 60,000 units, prescriptions for SAILEXIN had been issued in over 1,200 hospitals nationwide, further solidifying expectations for achieving the product supply targets; (b) the historical sales data of Stelara® in the PRC market as shown in the Menet database with a sales revenue growth from RMB340 million in 2021 to RMB1.24 billion in 2024, and the growth ranges from 5% to 163%, demonstrating robust market demand for Stelara®; and (c) the sales capability and distribution channels of Zhongmei Huadong, prescriptions for SAILEXIN had been issued in over 800 hospitals during the first quarter of 2025 and in more than 1,200 hospitals by the second quarter of 2025, achieving a quarterly growth rate of 50%, demonstrating robust hospital coverage capabilities. (iii) the production costs (including raw material costs, energy costs and labor costs, etc.) expected to be incurred by Cellularforce in the supply of SAILEXIN, with the Product Supply anticipated and taking into account the inventory requirements of Zhongmei Huadong for sales each year from 2026 to 2028; (iv) costs for the sample testing categories, testing frequency and estimated workload of sample testing increasing proportionally with the increase in the quantity of product supplied; and (v) the relatively stable expenses on 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 drug substance and injections each year as required. In determining the cap amount, the Company also applied a buffer level of approximately 14% to 15% to cope with any potential increase in demand for SAILEXIN, fluctuations in unit cost and other unforeseeable circumstances.

In determining the annual caps for Profit Sharing, the Directors have made references to the profit sharing formula as stipulated in the QX001S Framework Agreement to calculate the respective profits with Zhongmei Huadong on a 50:50 basis and deducting 50% of the Markup and the projected profit before tax expected to be generated by Zhongmei Huadong from the sales of SAILEXIN after deducting the relevant costs, with an anticipated growth rate ranges from 103% to 153% annual caps for Profit Sharing from 2026 and 2028 increase substantially mainly due to the accelerating profit margins growth of SAILEXIN as the aggregated expenses per unit of SAILEXIN decrease obviously and profit before tax per unit increase more rapidly as sales volume increases. 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 with reference to the historical average selling price of SAILEXIN to customers and the estimated quantities of SAILEXIN to be supplied by Cellularforce under the Product Supply in each of the financial year of 2026 to 2028; (ii) the expected amount of the SAILEXIN to be sold during the period from 2026 to 2028 with an estimate growth rate ranges from 54% to 109% for sales volume. The respective estimated growth rates adopted from 2026 to 2028 has taken into account of the historical sales data of Stelara® in the PRC market as shown in the Menet database with a sales revenue growth from RMB340 million in 2021 to RMB1.24 billion in 2024, and the growth ranges from 5% to 163%, demonstrating robust market demand for Stelara®; (iii) the sales capability and distribution channels of Zhongmei Huadong, prescriptions for SAILEXIN had been issued in over 800 hospitals during the first quarter of 2025 and in more than 1,200 hospitals by the second quarter of 2025, achieving a quarterly growth rate of 50%, demonstrating robust hospital coverage capabilities; (iv) the estimated unit price of SAILEXIN under the Supplemental Agreements in which Zhongmei Huadong will maintain a flexible pricing strategy to continuously strengthen its competitive edge in the market and applying the mark-up of 25% under the Product Supply; and (v) the costs involved are mainly consisted of product supply expenses and sales and marketing expenses, including but not limited to human resource costs, travel expenses, promotional expenses, market research expenses, post-marketing clinical research expenses, and other operating expenses. The product supply expenses will vary in proportion to the sales volume change while the sales and marketing expenses will not change in proportion to the sales volume change. The aggregate expenses associated with the sales incurred based on (iii) will not increase in proportion to the sales volume and therefore when the total sales revenue increases and the number of hospitals served growth steadily, the average aggregate expenses per unit of SAILEXIN will gradually decrease, thereby creating greater profit margins. In determining the cap amount, the Company also applied a buffer level of approximately 11% to 17% to cope with any potential increase in demand for SAILEXIN, fluctuations in the estimated average selling price of SAILEXIN by Zhongmei Huadong to its customers and the aggregate expenses associated with the sale of SAILEXIN, and other unforeseeable circumstances. For the avoidance of doubt, the annual cap amounts have excluded 50% of the Markup for the manufacturing of SAILEXIN under the Product Supply corresponding to the sales of SAILEXIN by Zhongmei Huadong.

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 applications 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 set 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.

Confirmation By The Board

The Board considers 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, and has abstained from voting on the board resolution approving the renewal of the New Annual Caps for good corporate governance practice.

III. IMPLICATIONS UNDER CHAPTER 14A OF THE LISTING RULES

As at the date of Latest Practicable Date, Zhongmei Huadong is our substantial Shareholder holding 15.88% of the issued share capital of the Company (excluding H 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.

IV. INTERNAL CONTROL PROCEDURES

The Company has formulated internal control measures and procedures to manage the Continuing Connected Transactions and annual caps under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements, the details of which are set out as follows:

(i) the finance head and the board secretary office of the Company conduct regular checks on a monthly basis to review and assess the volume of Product Supply and that the transactions of the Product Supply are conducted in accordance with the terms of the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements;

(ii) the Company obtains and reviews the biannual financial reports of SAILEXIN provided by Zhongmei Huadong for 2025, and will conduct online and offline communications with Zhongmei Huadong quarterly to understand the net profit range of SAILEXIN (including their revenues and expenses);

(iii) the finance department reports transaction amounts to the finance head and board secretary office on a monthly basis for Product Supply and on biannual basis for Profit Sharing (will be on quarterly basis for Profit Sharing since 2026), and the risk of exceeding the relevant abovementioned annual caps will be evaluated based on such transaction amounts. If the estimated annual transaction amounts which are calculated based on the historical transaction amounts and the estimated transaction amounts for the remaining months of the same year for Product Supply and Profit Sharing respectively are expected to exceed the relevant abovementioned annual caps, the finance head and board secretary office will initiate an approval application process in relation to the revision of annual caps in order to comply with all applicable requirements under the Group's internal control policy as well as under the Listing Rules; and

(iv) the Company conducts regular monitoring of the payment terms and settlement status of the transactions. The finance department reviews payment timeliness on a monthly basis and maintains a payment ageing record. In case of any delay, the finance department will remind the business department contact person to follow up with Zhongmei Huadong to expedite payment, and any irregularities in payment cycles will be escalated to the finance head for further handling.

(v) the audit committee, independent non-executive Directors and auditors of the Company will conduct annual review on the actual execution of the Continuing Connected Transactions contemplated under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements and provide annual confirmations to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements.

V. WAIVER IN RESPECT OF DOCUMENTS ON DISPLAY

In respect of the Supplemental Agreements, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules (the "**Waiver**"), such that certain sensitive information in the Supplemental Agreements may be redacted to be published on the websites of the Stock Exchange and the Company. The Stock Exchange has granted the Waiver to the Company, which allows the Company to redact the sensitive information therein relating to the production cost of SAILEXIN, namely (i) the processing fee and stability study fee; (ii) cost of raw materials; (iii) passing rate; and (iv) charges for sample testing (collectively, the "**Redacted Information**").

The Redacted Information is highly and commercially sensitive and confidential to the parties to the Supplemental Agreements which, if disclosed, will result in negative impacts on the Company and not in the interest of the Company and the Shareholders as a whole. Moreover, the redacted version of the Supplemental Agreements is unlikely to mislead the Shareholders regarding to the facts and circumstances, knowledge of which is essential for the informed assessment of the renewal of the New Annual Caps, and the Directors are of the view that the disclosure set out in the this circular will sufficiently inform the Shareholders, allowing them to make properly informed assessment and voting decision.

Accordingly, only the redacted versions of the Supplemental Agreements will be published on the website of the Stock Exchange and the Company, as documents on display, for a period of 14 days from the date of this circular.

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, a company listed on the Shenzhen Stock Exchange. 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, 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~~**The** share capital of the Company is ~~222,071,600~~**227,071,600** shares, with a share capital structure of: ~~17,322,400~~**0** unlisted shares and ~~204,749, 200~~**227,071,600** 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 AND VOTING METHOD

A notice convening the EGM is set out on pages 47 to 48 of this circular, at which 1 ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the renewal of the New Annual Caps and 1 special resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Proposed Amendments. The EGM will be convened at North Conference Room, 2nd Floor, Building 1, No.907 Yaocheng Avenue, Taizhou City, Jiangsu Province, the PRC on Friday, December 19, 2025 at 2:00 p.m..

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to read the notice of EGM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolutions set out in the notice of EGM shall be voted by poll. Voting by the Shareholders may be given either personally or by proxy.

As at the Latest Practicable Date, Zhongmei Huadong held 35,900,000 shares of the Company, representing approximately 15.88% of the issued share capital of the Company (excluding H Shares held by the Company as treasury shares), will abstain from voting on the resolution 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 Dr. Zou Zhongmei, Dr. Ling Jianqun and Mr. Fung Che Wai, Anthony, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the renewal of the New Annual Caps. Ignite Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The letter from the Independent Board Committee to the Independent Shareholders is set out on page 18 of this circular. The letter from Ignite Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 38 of this circular.

IX. RECORD DATE

The record date for entitlement to attend and vote at the EGM is Friday, December 19, 2025.

The register of members of H shares of the Company will be closed from Tuesday, December 16, 2025 to Friday, December 19, 2025 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for attending and voting at the EGM, all unregistered holders of H shares of the Company shall lodge transfer documents accompanied by the relevant share certificates with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Monday, December 15, 2025.

X. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would render any statement herein or this circular misleading.

XI. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 18 of this circular and (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 18 to 38 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the renewal of the New Annual Caps.

Having considered the principal factors and reasons stated in the letter of advice from the Independent Financial Adviser, the Independent Board Committee considers that the renewal of the New Annual Caps are fair and reasonable and on normal commercial terms or better, and such transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the renewal of the New Annual Caps.

XII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

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)

December 4, 2025

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF ANNUAL CAPS FOR THE QX001S FRAMEWORK AGREEMENT

We refer to the circular of the Company dated December 4, 2025 (the "**Circular**") of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board as the members of the Independent Board Committee to consider and to advise the independent Shareholders in respect of the to approve the renewal of the New Annual Caps. Ignite Capital has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the "Letter from the Board" and the "Letter from the Independent Financial Adviser" as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in their letter of advice, we consider the renewal of the New Annual Caps are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the independent Shareholders vote in favour of the resolution in relation to the renewal of the New Annual Caps at the EGM.

Yours faithfully,
For and on behalf of the Independent Board Committee of
Qyuns Therapeutics Co., Ltd.

Dr. Zou Zhongmei	**Dr. Ling Jianqun**	**Mr. Fung Che Wai, Anthony**
Independent non-executive director	*Independent non-executive director*	*Independent non-executive director*

The following is the full text of the letter of advice from Ignite Capital to the Independent Board Committee and the Independent Shareholders in relation to the New Annual Caps, which has been prepared for the purpose of inclusion in this circular.

Unit A, 15th Floor, CMA Building
64-65 Connaught Road Central
Central, Hong Kong

4 December 2025

To: *The Independent Board Committee and*
the Independent Shareholders of Qyuns Therapeutics Co., Ltd.

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF ANNUAL CAPS FOR THE QX001S FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the New Annual Caps, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 4 December 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference are made to the Prospectus and the Company's announcement dated 12 September 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 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 the PRC. The QX001S Framework Agreement has a term of 15 years until 13 August 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.

The Board has considered the business needs following the commercialization of SAILEXIN 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.

As at the Latest Practicable Date, Zhongmei Huadong is the Company's substantial Shareholder holding 15.88% 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 a continuing connected transaction 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.

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

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Zhongmei Huadong holds 15.88% of the issued share capital of the Company (excluding Shares held by the Company as treasury shares) will 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

The Independent Board Committee comprising Dr. Zou Zhongmei, Dr. Ling Jianqun and Mr. Fung Che Wai, Anthony, being all the INEDs, was established to consider and to advise the Independent Shareholders on New Annual Caps. We, Ignite Capital, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, Huadong Medicine and Zhongmei Huadong, the Directors, chief executive or substantial Shareholders of the Company or other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this letter, we have not: (i) acted in the capacity as a financial adviser or as an independent financial adviser to the Company; (ii) provided any services to the Company; or (iii) had any relationship with the Company. Apart from normal independent financial advisory fees paid or payable (as the case may be) to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, Huadong Medicine and Zhongmei Huadong, the Directors, chief executive or substantial Shareholders of the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

(i) QX001S Framework Agreement;

(ii) QX001S Supply Agreement;

(iii) Supplemental Agreements;

(iv) the Company's interim report for the six months ended 30 June ("**HY**") 2025 (the "**2025 Interim Report**");

(v) the Company's annual report for the year ended 31 December ("**FY**") 2024 (the "**2024 Annual Report**"); and

(vi) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement therein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the New Annual Caps, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the New Annual Caps, we have taken into consideration the following principal factors and reasons:

1. Information of the Parties

The Group

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.

Cellularforce is 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).

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, a company listed on the Shenzhen Stock Exchange. Zhongmei Huadong principally engaged in the development, manufacturing and sales of pharmaceutical products. Zhongmei Huadong is Company's commercialization partner for joint development and exclusive commercialization of SAILEXIN, one of the Company's key products in the PRC since August 2020. Accordingly, Zhongmei Huadong is a connected person of the Company under the Listing Rules.

2. Reasons for and benefits for renewal of the New Annual Caps

The Company and Zhongmei Huadong entered into the QX001S Framework Agreement on 14 August 2020 (as supplemented on 7 December 2023) with respect to the joint development and exclusive commercialization of SAILEXIN in the PRC. Pursuant to the QX001S Framework Agreement, the Company granted Zhongmei Huadong joint clinical development, manufacturing and exclusive commercialization rights of SAILEXIN in the PRC. Zhongmei Huadong shall be the marketing authorization holder of SAILEXIN in the PRC to exclusively conduct marketing activities and commercialization of SAILEXIN, who shall make commercially reasonable efforts to promote such commercialization. Cellularforce shall be solely responsible for the commercial production of SAILEXIN in the PRC. The Company and Zhongmei Huadong shall be the co-owners of any intellectual property (including trade secrets) associated with SAILEXIN that are developed since the date of the QX001S Framework Agreement. As advised by the Management, Zhongmei Huadong invested more than RMB150 million in the joint clinical development of and regulatory communication and registration for SAILEXIN.

With reference to 2025 Interim Report, SAILEXIN was approved by the NMPA in October 2024 (the "**Approval**") as the PRC's first approved ustekinumab biosimilar and the Company's first commercialised product. As also disclosed in the Company's announcement dated 2 December 2024 and 12 February 2025, after received the approval for moderate-to-severe plaque psoriasis in adults, Zhongmei Huadong made supplemental applications 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 3 March 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. The Group expects SAILEXIN to be an affordable drug for a broad section of Psoriasis patients. As of 30 June 2025, the Group has shipped over 60,000 units to Zhongmei Huadong.

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 the PRC and overseas. The Group believes 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 set the New Annual Caps for the whole term of the QX001S Framework Agreement in order to ensure smooth execution of the QX001S Framework Agreement and the QX001S Supply Agreement.

As disclosed in the Prospectus and advised by the Management, as the Group is at an early stage of preparation for future commercialization of its drug candidates, building a large commercialization team would be time-consuming and expensive, which would increase its commercial risk and distract the Group from its research and development efforts. To address this conundrum, the Group strategically chooses to cooperate with established pharmaceutical companies to quickly and cost-effectively commercialize selected products. We note from 2024 Annual Report that the Group continued to forge partnerships with several reputable pharmaceutical companies, including Zhongmei Huadong, to mitigate clinical risks and enhance commercialization certainty.

Furthermore, we note from the Prospectus that Huadong Medicine is a leading PRC pharmaceutical company, whose business covers the whole pharmaceutical industrial chain, integrating research and development, manufacturing and sales of medicine. Huadong Medicine is experienced in chronic disease management and has strong sales networks for autoimmune and allergic drugs. As disclosed in its annual report for FY2024, Huadong Medicine has a sales team of more than 11,000 personnel, and its sales network covers more than 30 provinces (autonomous regions and municipalities) nationwide, having achieved multi-channel and broad-coverage penetration. In Zhejiang Province, Huadong Medicine's sales network covers all prefecture-level cities and counties (county-level cities), achieving full coverage of public hospitals in the province and maintaining a leading market share in Zhejiang. As significant proportion of autoimmune and allergic disease patients (including plaque psoriasis patients) in the PRC initially receive treatment in local hospitals across vast and geographically dispersed regions, the Company regards the collaboration with Huadong Medicine (including Zhongmei Huadong) would enable the Group to leverage their market access, nationwide sales and marketing network of targeting the autoimmune and allergic disease field as well as their extensive experience in chronic disease management, which will be crucial to support rapid commercialization of SAILEXIN.

As advised by the Management, for FY2025, Zhongmei Huadong is undergoing a structured marketing strategy (the "**Marketing Strategy**") centered on hospital formulary inclusion* (准　入) specially for SAILEXIN. The key focus is on achieving formulary inclusion in more targeted hospitals in FY2025. This initiative will be spearheaded by their provincial general managers, who are tasked with leading sales teams. According to Huadong Medicine's quarterly report for the three months ended 31 March 2025 and interim report for HY2025, prescriptions for SAILEXIN had been issued in over 1,200 hospitals in the PRC as at 30 June 2025, compared with approximately 800 hospitals as at 31 March 2025, representing a quarterly growth rate of approximately 50%.

Having considered that (i) the Company granted Zhongmei Huadong joint clinical development, manufacturing and exclusive commercialization rights of SAILEXIN in the PRC; (ii) Zhongmei Huadong participated in the clinical development of SAILEXIN and possesses in-depth and unique knowledge and expertise in SAILEXIN; (iii) Zhongmei Huadong has made significant investments in clinical development, regulatory communication and registration and supplemental indication applications for SAILEXIN; (iv) Huadong Medicine's market leading position, extensive nationwide sales network and growing hospital penetration in the PRC; (v) the collaboration between the Company and Zhongmei Huadong is expected to expand alongside the continued commercialization of SAILEXIN; and (vi) the Continuing Connected Transactions are aligned with the Group's strategy and arrangements under the QX001S Framework Agreement, it is reasonable to set the New Annual Caps so as to enable the Group to realize the potential growth in the Continued Connected Transactions if achieved, and we are of the view that the Continued Connected Transactions (including the New Annual Caps) are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements

Set out below are the key terms of the Continuing Connected Transaction as contained in the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements, details of which are set out under the section headed "II. MATTER TO BE RESOLVED AT THE EGM" of the Letter from the Board.

Agreement date

14 August 2020, 7 December 2023 and 9 March 2023 (as supplemented by Supplemental Agreements dated 12 September 2024 and 11 November 2025)

Parties

The Group and Zhongmei Huadong

Nature of the transaction

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 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 to Zhongmei Huadong at a unit supply price which will be determined by taking into account the actual costs expected to be incurred for manufacturing of SAILEXIN 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 equipment for sampling and testing of SAILEXIN 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 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 in the PRC (as calculated pursuant to the QX001S Framework Agreement), after setting off the accumulative losses attributable to the commercialization of SAILEXIN 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 will be further deducted from the portion of the pre-tax profit receivable and attributed to Zhongmei Huadong's portion instead (the "**Profit Sharing**").

4. New Annual Caps

The Existing Annual Caps and historical transaction amounts

As set out in the Letter from the Board, the table below sets out (i) the historical transaction amounts of Continuing Connected Transactions (the "**Historical Transaction Amounts**") for the FY2024 and the ten months ended 31 October 2025 ("**10M2025**"); (ii) the Existing Annual Caps; and (iii) the respective utilisation rates:

Table 1: The Historical Transaction amounts and the Existing Annual Caps for FY2024 and 10M2025

	FY2024	**FY2025**
Product Supply	*(RMB'000)*	
Historical Transaction Amounts	2,142	7,795 *(Note)*
Existing Annual Caps	10,000	15,000
Utilisation rates	21.4%	52.0% *(Note)*

	FY2024	**FY2025**
Profit Sharing	*(RMB'000)*	
Historical Transaction Amounts	Nil	4,993 *(Note)*
Historical Annual Caps	5,000	38,000
Utilisation rates	Nil	13.1% *(Note)*

Note: The Historical Transaction Amount and utilisation rate for 10M2025

As illustrated above, (i) the Historical Transaction Amounts for Product Supply amounted to approximately RMB2.1 million and RMB7.8 million for FY2024 and 10M2025, respectively, representing utilisation rates of approximately 21.4% and approximately 52.0%, respectively; and (ii) the Historical Transaction Amounts for Profit Sharing were nil and approximately RMB5.0 million for FY2024 and 10M2025, respectively, representing utilisation rates of nil and approximately 13.1%, respectively. We understand from the Management that the low utilisation rate recorded for FY2024 and FY2025 was mainly attributable to the fact that SAILEXIN was still in the preliminary and early stage of commercialisation and, in particular for the Profit Sharing, the comparatively higher expense level relative to sales during such early stage of commercialisation. As stated in the Letter from the Board, the Company expects that the transaction amount for Product Supply will reach approximately RMB12 million by FY2025 (the "**FY2025 Estimated Product Supply**"), of which the transaction amount for the two months ending 31 December 2025 is estimated to be approximately RMB3.7 million (the "**Unrecognized Supply**"). We understand from the Management that such Unrecognized Supply relates to (i) certain batches of SAILEXIN supplied or to be supplied by Cellularforce to Zhongmei Huadong; and (ii) costs of production material, for the two months ending 31 December 2025. We have obtained from the Management and reviewed the corresponding purchase orders issued by Zhongmei Huadong in relation to the Unrecognized Supply, and noted that the combined purchase amount under for these orders exceeds the Unrecognized Supply. Based on the FY2025 Estimated Product Supply, the utilisation rate for Product Supply for FY2025 would be approximately 80%. Despite the low utilisation rate in FY2024 and FY2025, the Management expected a higher utilisation for FY2026 to FY2028 based on (i) the expected growth in hospital penetration due to the Marketing Strategy; and (ii) the recent expectations from Zhongmei Huadong (as illustrated in the Caps Computation (as defined below)).

The New Annual Caps

The table below sets out the New Annual Caps:

Table 2: The New Annual Caps

	FY2026	**FY2027**	**FY2028**
		(RMB'000)	
New annual caps for Product Supply	25,000	35,000	55,000
New annual caps for Profit Sharing	55,000	135,000	290,000

The New Annal Caps for Product Supply

As stated in the Letter from the Board, 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 in 2025 under the QX001S Supply Agreement, where the trends in the amount and quantity of supply of products are basically in line with the projections made for 2024. However, SAILEXIN was only in early stage of commercialisation in 2024 and 2025 and the historical transaction amounts are not weighted much when determining the caps; (ii) the expected units to be supplied to Zhongmei Huadong and expected growth of anticipated demand of products ranges from 54% to 109% under the sales forecast. The growth rates adopted in the respective year are after considered the current sales and marketing situation of SAILEXIN, in particular, as of June 30, 2025, shipments from us to Zhongmei Huadong exceeded 60,000 units, prescriptions for SAILEXIN had been issued in over 1,200 hospitals nationwide, further solidifying expectations for achieving the product supply targets; (iii) the production costs (including raw material costs, energy costs and labor costs, etc.) expected to be incurred by Cellularforce in the supply of SAILEXIN, with the Product Supply anticipated and taking into account the inventory requirements of Zhongmei Huadong for sales each year from 2026 to 2028; (iv) costs for the sample testing categories, testing frequency and estimated workload of sample testing increasing proportionally with the increase in the quantity of product supplied; and (v) the relatively stable expenses on 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 drug substance and injections each year as required. In determining the cap amount, the Company also applied a buffer level of approximately 14% to 15% to cope with any potential increase in demand for SAILEXIN, fluctuations in unit cost and other unforeseeable circumstances.

Our assessment

In assessing the fairness and reasonableness of the New Annual Caps, we have discussed with the Management on the basis and underlying assumptions for the purpose of setting the New Annual Caps. We have also obtained and reviewed from the Management (i) the computation worksheets for the New Annual Caps including its relevant breakdown (the "**Caps Computation**"); and (ii) the historical financial information relating to the profit-sharing reconciliation between the Company and Zhongmei Huadong for FY2024 and the eight months ended 31 August 2025 ("**8M2025**") (the "**Historical Profit-sharing Financials**").

The New Annual Caps for Product Supply (i) for FY2026 representing an increase of approximately 108% as compared to FY2025 Estimated Product Supply; (ii) for FY2027 and FY2028, representing an increase of approximately 40% and 57%, respectively, as compared to previous year. We noted from the Caps Computation that the New Annual Caps for Product Supply were estimated based on (a) estimated selling price of SAILEXIN from the Cellularforce to Zhongmei Huadong (the "**Product Supply Selling Price**"); (b) estimated quantities of SAILEXIN to be supplied to Zhongmei Huadong; (c) estimated costs of production material and stability study; and (d) buffer for unforeseeable circumstances. The detailed bases for determining the above components of the New Annual Caps for Product Supply are set out below:

(A) The Product Supply Selling Price

According to the QX001S Framework Agreement, Cellularforce shall supply SAILEXIN to Zhongmei Huadong at a unit supply price which will be determined by taking into account the actual costs expected to be incurred for manufacturing of SAILEXIN and the Markup. For our due diligence purpose, we obtained from the Management the costing materials for the manufacturing of SAILEXIN ("**Costing Materials**") and noted that the production cost per unit of SAILEXIN (the "**Unit Cost**") was derived from various cost components, including active ingredients, materials, production, testing and storage. The Unit Cost was subsequently used to calculate the Product Supply Selling Price by applying the Markup, which we have independently recomputed. The Management has advised us that the Unit Cost for FY2026 to FY2028 is anticipated to remain relatively stable and controllable, attributable to (i) major raw material prices remaining steady; and (ii) cost efficiencies achieved through bulk procurement and mass-scale production. We have sampled and reviewed the historical purchase prices of the major raw materials for the production of SAILEXIN from 2024 to 2025 and observed that such sampled prices remained unchanged.

(B) Estimated quantities to be supplied by Cellularforce

Based on our review of the Caps Computation, we note that the estimated annual growth in the quantity of SAILEXIN to be supplied by Cellularforce to Zhongmei Huadong for FY2026, FY2027, and FY2028, as compared with the previous year, are approximately 64%, 109%, and 54%, respectively. We understand from the Management that the estimated annual growth rates were determined after taking into account, amongst other factors, (i) the historical growth in the quantity of SAILEXIN sold by Zhongmei Huadong to its end customers during 2024 and 8M2025; and (ii) Huadong Medicine's sales network and its Marketing Strategy.

Further to the above, we have reviewed the historical quantities of SAILEXIN sold by Zhongmei Huadong to its end customers and note that the monthly average quantity sold for 8M2025 was approximately 162% higher than that for FY2024, which exceeded the estimated annual growth rates for FY2026, FY2027 and FY2028. In addition, as discussed in the section headed "2. Reasons for and benefits for renewal of the New Annual Caps" above in this letter, the sales network of Huadong Medicine covers more than 30 provinces nationwide and the number of covered hospitals recorded a quarterly growth rate of approximately 50%, which further supports the estimated annual growth rates for FY2026, FY2027 and FY2028.

Furthermore, we have reviewed relevant email correspondence between the Company and Zhongmei Huadong and note that Zhongmei Huadong endorsed the Caps Computation, in particular the estimated quantity of SAILEXIN to be supplied by Cellularforce to Zhongmei Huadong for FY2026, FY2027 and FY2028.

Form an industry prospective, according to Menet* (米 內 網) (the "**Menet**"), the market size of ustekinumab biologics drug in the PRC amounted to approximately RMB1.2 billion in 2024, representing a compound annual growth rate of approximately 53%, as compared with RMB0.3 billion in 2021. As stated on its official website, Menet is a leading information platform for the PRC's pharmaceutical and healthcare industry, providing integrated research and data analytics across the sector, supported by the monthly collection of 30 million data points and more than 60 specialized databases. This industry growth trend indicates a rapidly expanding market base for ustekinumab-related products.

Moreover, we note from the Letter from the Board and understand from the Management that: (i) Stelara® (Ustekinumab Injection) 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 and the only approved ustekinumab injection for psoriasis in the PRC before the Approval; and (ii) SAILEXIN is a biosimilar drug of Stelara® (Ustekinumab Injection) and is the PRC's first and also the sole approved ustekinumab biosimilar drug for psoriasis as at the Latest Practicable Date. In this context, despite SAILEXIN being the PRC's first approved ustekinumab biosimilar drug for psoriasis, we are advised by the Management that the Profit Sharing Selling Price (as defined below) has been set at a discount to Stelara® (Ustekinumab Injection) in order to ensure market competitiveness and support rapid commercialisation. Up to October 2025, the Profit Sharing Selling Price remained discounted relative to Stelara® (Ustekinumab Injection). This discounted pricing strategy is expected to be maintained throughout FY2026 to FY2028 and, based on our review, aligns with the pricing assumptions adopted in the Caps Computation.

Taken together, having considered (i) the strong historical growth in sales volume; (ii) Huadong Medicine's extensive sales network and expanding hospital coverage; (iii) Zhongmei Huadong's endorsement of the Caps Computation; (iv) the rapid expansion of the ustekinumab biologics market in the PRC; and (v) the competitive positioning and pricing strategy of SAILEXIN, we are of the view that the estimated quantities to be supplied by Cellularforce to Zhongmei Huadong for FY2026 to FY2028 are justifiable.

(C) Estimated production material and stability study costs

As advised by the Management, with the further commercialisation of SAILEXIN to be carried out during 2026 to 2028, the production and supply scale of SAILEXIN is expected to increase substantially over the same period. In view of the expected increase in production scale and efficiency, as well as the to process the production materials in advance, the Company will need to procure and prepare production materials in advance for each of the years from 2026 to 2028 to support the expanded production of SAILEXIN in the following year. The level of preparation of production materials is expected to (i) have a considerable increase in 2026 relative to 2025; and (ii) maintain relatively stable in 2027 as compared with 2026. In addition, as stipulated under the QX001S Framework Agreement, the QX001S Supply Agreement, and the Supplemental Agreements, a stability study of no less than one batch of SAILEXIN drug substance and injections is required each year. Based on our review of the Caps Computation, we note that the batch cost of the production materials and the stability study cost adopted are consistent with the relevant raw material costs set out in the Costing Materials.

(D) Buffer

Based on our review of the Caps Computation, we note that a buffer level of approximately 14% to 15% was adopted in determining the New Annual Caps for the Product Supply. We understand from the Management that the buffer was set to cope with any unforeseeable circumstances such as any potential increase in demand for SAILEXIN, fluctuations in Unit Cost and other unforeseeable circumstances. We conducted research on circulars relating to continuing connected transaction published by Hong Kong listed companies during the period from 11 August 2025 to 11 November 2025 (the three months prior to and including the date of the Supplemental Agreement dated 11 November 2025) (the "**Buffer Research**"). Among the 30 exhaustively identified circulars that included a buffer in the proposed annual caps, 20 adopted buffer levels of 10% to 20%. As the majority of these sampled circulars adopted a 10% to 20% buffer, we consider the Company's buffer level of approximately 14% to 15% (which falls within the aforesaid range) to be acceptable.

The New Annual Caps for Product Supply represent: (i) an increase of approximately 86% for FY2026 (excluding the buffer) as compared with the FY2025 Estimated Product Supply; and (ii) increases of approximately 40% and 57% for FY2027 and FY2028, respectively, as compared with the previous year. According to our review on the Caps Computation, we note that such increases are primarily attributable to the estimated quantities to be supplied by Cellularforce to Zhongmei Huadong for FY2026 to FY2028. Having considered the factors discussed in the section headed "(B) Estimated quantities to be supplied by Cellularforce" above in this letter, in particular that (i) the monthly average quantity of SAILEXIN sold by Zhongmei Huadong to its end customers for 8M2025 was approximately 162% higher than that for FY2024; (ii) the number of covered hospitals for SAILEXIN recorded a quarterly growth rate of approximately 50% for the three months ended 30 June 2025; and (iii) market size of ustekinumab biologics drug market in the PRC recorded a compound annual growth rate of approximately 53% during 2021 to 2024, we are of the view that the New Annual Caps for Product Supply are fair and reasonable.

The New Annual Caps for Profit Sharing

As stated in the Letter from the Board, in determining the annual caps for Profit Sharing, the Directors have made reference to the profit sharing formula as stipulated in the QX001S Framework Agreement to calculate the respective profits with Zhongmei Huadong on a 50:50 basis and deducting 50% of the Markup and the projected profit before tax expected to be generated by Zhongmei Huadong from the sales of SAILEXIN after deducting the relevant costs, with an anticipated growth rate ranges from 103% to 153%. 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 with reference to the historical average selling price of SAILEXIN to customers and the estimated quantities of SAILEXIN to be supplied by Cellularforce under the Product Supply in each of the financial year of 2026 to 2028; (ii) the expected amount of the SAILEXIN to be sold during the period from 2026 to 2028 with an estimate growth rate ranges from 54% to 109% for sales volume. The respective estimated growth rates adopted from 2026 to 2028 has taken into account of the historical sales data of Stelara® in the PRC market as shown in the Menet database with a sales revenue growth from RMB340 million in 2021 to RMB1.24 billion in 2024, and the growth ranges from 5% to 163%, demonstrating robust market demand for Stelara®; (iii) the sales capability and distribution channels of Zhongmei Huadong, prescriptions for SAILEXIN had been issued in over 800 hospitals during the first quarter of 2025 and in more than 1,200 hospitals by the second quarter of 2025, achieving a quarterly growth rate of 50%, demonstrating robust hospital coverage capabilities; (iv) the estimated unit price of SAILEXIN under the Supplemental Agreements in which Zhongmei Huadong will maintain a flexible pricing strategy to continuously strengthen its competitive edge in the market and applying the mark-up of 25% under the Product Supply; and (v) the aggregate expenses associated with the sales incurred based on (iii), taking into consideration that when the total sales revenue increases and the number of hospitals served growth steadily, the proportion of such expenses in the total sales revenue will gradually decrease, thereby creating greater profit margins. In determining the cap amount, the Company also applied a buffer level of approximately 11% to 17% to cope with any potential increase in demand for SAILEXIN, fluctuations in the estimated average selling price of SAILEXIN by Zhongmei Huadong to its customers and the aggregate expenses associated with the sale of SAILEXIN, and other unforeseeable circumstances. For the avoidance of doubt, the annual cap amounts have excluded 50% of the Markup for the manufacturing of SAILEXIN under the Product Supply corresponding to the sales of SAILEXIN by Zhongmei Huadong.

As set out in the Prospectus, the payment to be received by the Group from Zhongmei Huadong for the Profit Sharing pursuant to the QX001S Agreement will be determined in accordance with the following formula (the "**Formula**"):

Amount of pre-tax profit receivable by the Group under the Profit Sharing (i.e. New Annual Cap for Profit Sharing)	=	((A) Net sales revenue of SAILEXIN by Zhongmei Huadong *(Note 1)* – (B) amount received and receivable by the Group under the Product Supply corresponding to the sales of SAILEXIN by Zhongmei Huadong – (C) marketing and sales and other operating costs of SAILEXIN by Zhongmei Huadong – taxes and surcharges incurred by Zhongmei Huadong for the sale of SAILEXIN *(Note 2)*) × 50% – (D) the markup for the manufacturing of SAILEXIN under the Product Supply corresponding to the sales of SAILEXIN by Zhongmei Huadong × 50%

Notes:

1. Net sales revenue shall be the results of gross sales (net of value-added taxes) minus sales returns, allowances and discounts.

2. Such taxes and surcharges include but not limited to consumption tax, urban maintenance and construction tax, urban land use tax, resource tax, education surcharge, real estate tax, land use tax, vehicle and vessel tax and stamp duty (if applicable).

Our assessment

Our review of the Historical Profit-sharing Financials, together with the disclosure in the Letter from the Board, indicates that the relatively low transaction amount of Profit Sharing for 8M2025 was mainly attributable to the fact that SAILEXIN was still in the preliminary and early stage of commercialisation and the comparatively higher expense level relative to sales during such early stage of commercialisation. Therefore, when assessing fairness and reasonableness of the New Annual Cap for Profit Sharing for FY2026, it would not be appropriate to compare the New Annual Cap for FY2026 solely against the historical transaction amount for 8M2025. Instead, emphasis should be placed on evaluating the methodology adopted in deriving the New Annual Caps and the basis and assumptions for each of their major components.

We note from the Caps Computation that the calculation of the New Annual Caps for Profit Sharing is in line with the Formula, which comprise the followings components of (A) the projected sales revenue of SAILEXIN by Zhongmei Huadong; (B) amount receivable by the Group under the Product Supply; (C) marketing and sales and other operating costs of SAILEXIN incurred by Zhongmei Huadong; (D) Markup for the manufacturing of SAILEXIN under the Product Supply; and (E) buffer for unforeseeable circumstances. The detailed bases for determining the above components of the New Annual Caps for Profit Sharing are set out below:

(A) Projected sales revenue of SAILEXIN by Zhongmei Huadong

Based on the Caps Computation, the projected sales revenue of SAILEXIN by Zhongmei Huadong for FY2026 to FY2028 were estimated based on (i) the estimated average selling price of SAILEXIN by Zhongmei Huadong to its customers (the "**Profit Sharing Selling Price**"); (ii) the estimated quantities of SAILEXIN to be supplied by Cellularforce. As advised by the Management, the Profit Sharing Selling Price was determined with reference to the historical average selling price of SAILEXIN to customers, which we have cross-checked against the average selling prices for 2024 and 8M2025 as set out in the Historical Profit-sharing Financials. The estimated quantities of SAILEXIN to be supplied by Cellularforce under the Profit Sharing for FY2026 to FY2028 are the same as those estimated under the Product Supply. According to Menet, the average selling prices of Stelara® (Ustekinumab Injection) in the PRC remained stable from 2024 up to October 2025. For detailed analysis of the estimated quantities of SAILEXIN to be supplied by Cellularforce under the Product Supply, please refer to the section headed "(B) Estimated quantities to be supplied by Cellularforce" above in this letter.

(B) Amount receivable by the Group under the Product Supply

As advised by the Management and according to the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements, the amount received and receivable by the Group under the Product Supply is calculated based on the (i) Unit Cost; (ii) the estimated quantities of SAILEXIN to be supplied under the Product Supply; and (iii) the estimated costs of production material and stability study. We have reviewed the Caps Computation and note that the amounts received and receivable by the Group under the Product Supply for the FY2026 to FY2028 was calculated in accordance with the above basis.

(C) Marketing and sales and other operating costs incurred by Zhongmei Huadong

Based on our review of the Caps Computation, we note that the marketing and sales and other operating costs incurred by Zhongmei Huadong comprise all expense items above the profit-before-tax line associated with the sale of SAILEXIN, excluding the cost of goods sold (the "**Aggregate Expenses**"). The Aggregate Expenses are estimated as a percentage of the projected sales revenue of SAILEXIN by Zhongmei Huadong (the "**Aggregate Expense Percentage**"), and an Aggregate Expense Percentage of approximately 60% to 75% was adopted in the Caps Computation. As advised by the Management, such Aggregate Expense Percentage was estimated jointly with Zhongmei Huadong with reference to the historical aggregate expense percentages of certain drugs commercialized and sold by Zhongmei Huadong over the past three years that have gross profit margin levels comparable to the expected gross profit margin of SAILEXIN ("**Reference Drugs**") and the projected sales revenue of SAILEXIN by Zhongmei Huadong for FY2026 to FY2028. The Management explained that products with similar gross profit margins generally require comparable levels of marketing investment and sales strategies. Having considered that gross profit margin is a commonly adopted criteria for selecting comparable products for cost-structure benchmarking, and that the Reference Drugs were also at an early stage of commercialization, similar to SAILEXIN's current stage, we consider the selection criteria adopted to be reasonable. Our review indicates that the Reference Drugs satisfied such selection criteria. Taken into account that the projected sales revenue of SAILEXIN by Zhongmei Huadong for FY2026 to FY2028 are more sizeable than the sales revenue the Reference Drugs, the Management set the Aggregate Expense Percentage at a level below the range of the aggregate expense percentages of the Reference Drugs. In this regard, we obtained from the Management the information on the Reference Drugs and note that (i) the range of the aggregate expense percentages of the Reference Drugs is higher than the Aggregate Expense Percentage; and (ii) the projected sales revenue of SAILEXIN by Zhongmei Huadong for FY2026 to FY2028 are higher than the sales revenue the Reference Drugs. As further advised by the Management, the actual and final Aggregate Expenses will be reviewed and confirmed jointly by the Company and Zhongmei Huadong pursuant to the QX001S Framework Agreement, the QX001S Supply Agreement, and the Supplemental Agreements.

(D) Markup for the manufacturing of SAILEXIN under the Product Supply

We note from the Caps Computation that a markup of 25% was adopted, which is in line with the Markup under the Product Supply.

(E) Buffer

Based on our review of the Caps Computation, we note that a buffer level of approximately 11% to 17% was adopted in determining the New Annual Caps for the Profit Sharing. We understand from the Management that the buffer was set to cope with any unforeseeable circumstances such as any potential increase in demand for SAILEXIN, fluctuations in the Profit Sharing Selling Price and the Aggregate Expenses, and other unforeseeable circumstances. Having considered the Buffer Research above, as the inclusion of a 10% to 20% buffer in proposed annual caps is adopted in the majority of the sampled circular, we consider the buffer level of approximately 11% to 17% (which falls within the aforesaid range) to be acceptable.

In light of the above, in particular that (i) the New Annual Caps for Profit Sharing from FY2026 to FY2028 were estimated based on the Formula; (ii) the increases in New Annual Caps for Profit Sharing from FY2026 to FY2028 was mainly driven by the estimated quantities of SAILEXIN to be supplied by Cellularforce; (iii) the analysis of the estimated quantities of SAILEXIN to be supplied by Cellularforce under the Product Supply as discussed in the section headed "(B) Estimated quantities to be supplied by Cellularforce" above in this letter; (iv) the Aggregate Expense Percentage was estimated with reference to the Reference Drugs and the final Aggregate Expenses will be reviewed and confirmed jointly by the Company and Zhongmei Huadong; (v) the amount receivable by the Group under the Product Supply were calculated in accordance with the basis as stipulated under respective agreements; and (vi) the Markup adopted is in line with the Product Supply, we are of the view that the New Annual Caps for Profit Sharing are fair and reasonable. Nevertheless, Independent Shareholders should be aware that the New Annual Caps for Profit Sharing have been determined based on a number of assumptions and estimates, and the actual transaction amounts may vary from the annual caps.

5. Internal control procedures

As set out in the Letter from the Board, the Company has formulated internal control measures and procedures to manage the Continuing Connected Transactions and annual caps under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements, the details of which are set out as follows:

(i) the finance head and the board secretary office of the Company conduct regular checks on a monthly basis to review and assess the volume of Product Supply and that the transactions of the Product Supply are conducted in accordance with the terms of the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements;

(ii) the Company obtains and reviews the biannual financial reports of SAILEXIN provided by Zhongmei Huadong for 2025, and will conduct online and offline communications with Zhongmei Huadong quarterly to understand the net profit range of SAILEXIN (including their revenues and expenses);

(iii) the finance department reports transaction amounts to the finance head and board secretary office on a monthly basis for Product Supply and on a biannual basis for Profit Sharing (will be on a quarterly basis for Profit Sharing since 2026), and the risk of exceeding the relevant above-mentioned annual caps will be evaluated based on such transaction amounts. If the estimated annual transaction amounts which are calculated based on the historical transaction amounts and the estimated transaction amounts for the remaining months of the same year for Product Supply and Profit Sharing respectively are expected to exceed the relevant above-mentioned annual caps, the finance head and board secretary office will initiate an approval application process in relation to the revision of annual caps in order to comply with all applicable requirements under the Group's internal control policy as well as under the Listing Rules;

(iv) the Company conducts regular monitoring of the payment terms and settlement status of the transactions. The finance department reviews payment timeliness on a monthly basis and maintains a payment ageing record. In case of any delay, the finance department will remind the business department contact person to follow up with Zhongmei Huadong to expedite payment, and any irregularities in payment cycles will be escalated to the finance head for further handling; and

(v) the audit committee, independent non-executive Directors and auditors of the Company will conduct annual review on the actual execution of the Continuing Connected Transactions contemplated under the QX001S Framework Agreement, the QX001S Supply Agreement and the Supplemental Agreements and provide annual confirmations to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements.

The independent non-executive Directors will conduct an annual review of the continuing connected transactions, and confirm the matters required under Rule 14A.55 of the Listing Rules in the Company's subsequent annual reports. Further, the Company will engage external auditors to conduct an annual review of its continuing connected transactions, and to report to the Board on matters required under Rule 14A.56 of the Listing Rules.

To assess the effectiveness of the internal control procedures for Product Supply, in particular the pricing mechanism and the monitoring of the monthly transaction amounts, we requested the Company to provide (i) all invoices of the Product Supply (the "**Invoices**"); and (ii) all monthly records for the monitoring of the quantities supplied and the transaction amounts of Product Supply (the "**Monthly Monitoring Records**") for the period during October 2024 (being the month of Approval) to September 2025 (the "**Sampling Period**"). After reviewing the Invoices and the Monthly Monitoring Records we noted that (i) all Invoices demonstrate a cost-plus margin of 25% for manufacturing, which is in line with the Markup as well as the Costing Materials; and (ii) the Group performed monthly monitoring of both the quantities supplied and the actual transaction amounts to ensure that the Product Supply did not exceed the relevant annual caps. In addition, regarding payment, we reviewed the corresponding payment records of the Invoices and noted that payments were made on a timely basis.

In relation to Profit Sharing, we understand from the Management that, under the early stage of the commercialization of SAILEXIN and in accordance with the Group's the internal control policy for the Sampling Period, the Company obtained and reviewed the sales management reports provided by Zhongmei Huadong on a bi-annual basis. As disclosed in the Letter from the Board, the frequency of finance department reporting transaction amounts to the finance head and board secretary office will be adjusted to a quarterly basis. Accordingly, we obtained and reviewed the two sales management reports provided by Zhongmei Huadong for (a) FY2024; and (b) HY2025 and noted that the profit-sharing mechanism adopted under such report was consistent with the Formula. In addition, regarding the settlement of Profit Sharing, the Letter from the Board states that the Company will confirm the financial information with Zhongmei Huadong 30 days after the end of the financial year and the amount to be paid to the Company, and the payment will be settled within 10 days. As there was no historical transaction amount recorded for FY2024, no invoice has been issued to Zhongmei Huadong for Profit Sharing.

In view of the above, nothing has come to our attention that would cast doubt on the effectiveness of the implementation of the internal control measures.

OPINION AND RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the New Annual Caps are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions in this regard.

Yours faithfully,
For and on behalf of
Ignite Capital (Asia Pacific) Limited

Li Lan	**Tin Ming Kit**
Managing Director	*Director*

Mr. Li Lan is a Managing Director of Ignite Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Li has over 19 years of corporate finance experience in Hong Kong and has participated in and completed various financial advisory and independent financial advisory transactions.

Mr. Tin Ming Kit is a Director of Ignite Capital and is licensed under the SFO as a licensed person to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Tin has over 18 years of investment banking and corporate finance experience in Hong Kong and has participated in and completed various initial public offerings, corporate financial advisory and independent financial advisory transactions.

* *For identification purpose only*

1. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, interests of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

Interest in the shares of the Company

Name	Nature of interest	Type of Shares	Number of Shares[1]	Approximately percentage of shareholding in the relevant type of Shares	Approximate percentage of shareholding in the total issued share capital
Mr. Qiu[2][3][4][5]	Beneficial owner	H Shares	10,000,000 (L)	4.40%	31.07%
	Interest in controlled corporations	H Shares	60,550,000 (L)	26.67%	

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) Hangzhou Quanyi is owned as to 50% by Mr. Qiu and 50% by Mr. Yu Guo'an, both being its general partners acting in concert pursuant to the supplemental partnership agreement of Hangzhou Quanyi. By virtue of the SFO, each of Mr. Qiu and Mr. Yu Guo'an is deemed to be interested in the H Shares held by Hangzhou Quanyi.

(3) Mr. Qiu is the general partner who holds approximately 9.52% interest in Xinfu Tongxin. By virtue of the SFO, Mr. Qiu is deemed to be interested in the H Shares held by Xinfu Tongxin.

(4) Mr. Qiu is the general partner who holds approximately 45.71% interest in Shanghai Quanyou. Shanghai Quanyou holds 5,000,000 H Shares. By virtue of the SFO, Mr. Qiu is deemed to be interested in the H Shares held by Shanghai Quanyou.

(5) Mr. Qiu directly holds 10,000,000 H Shares representing approximately 4.40% of our H Shares in issue.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

2. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES

As of the Latest Practicable Date, so far as was known to the Directors, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under the SFO were as follows:

Long Positions in Shares of our Company

Name of Shareholder	Nature of interest	Type of Shares[2]	Number[1]	Percentage of shareholding in the relevant type of Shares *(approx.)*	Percentage of shareholding in the total issued share capital[11] *(approx.)*
Hangzhou Quanyi[3]	Beneficial owner	H Shares	40,000,000 (L)	17.62%	17.62%
Xinfu Tongxin[4]	Beneficial owner	H Shares	15,550,000 (L)	6.85%	6.85%
Mr. Qiu[3][4]	Beneficial owner	H Shares	10,000,000 (L)	4.40%	31.07%
	Interest in controlled corporations	H Shares	60,550,000 (L)	26.67%	
Ms. Xu Qiu[5]	Interest of spouse	H Shares	70,550,000 (L)	31.07%	31.07%
Mr. Yu Guo'an[3]	Interest in a controlled corporation	H Shares	40,000,000 (L)	17.62%	17.62%
Ms. Zhu Jing[6]	Interest of spouse	H Shares	40,000,000 (L)	17.62%	17.62%
Zhongmei Huadong[7]	Beneficial owner	H Shares	35,900,000 (L)	15.81%	15.81%
Huadong Medicine[7]	Interest in a controlled corporation	H Shares	37,876,800 (L)	16.68%	16.68%
China Grand Enterprises Incorporation ("**China Grand**")[8]	Interest in controlled corporations	H Shares	37,876,800 (L)	16.68%	16.68%
Beijing Grand Huachuang Investment Group Co., Ltd. ("**Beijing Grand**")[7]	Interest in controlled corporations	H Shares	37,876,800 (L)	16.68%	16.68%
Mr. Hu Kaijun (胡凱軍)[7]	Interest in controlled corporations	H Shares	37,876,800 (L)	16.68%	16.68%
Taizhou Medical New and High-tech Industrial Development Zone Huayin Finance Investment Co., Ltd. ("**Taizhou Huayin**")[9][10]	Interest in controlled corporations	H Shares	16,661,800 (L)	7.34%	7.34%

Name of Shareholder	Nature of interest	Type of Shares[2]	Number[1]	Percentage of shareholding in the relevant type of Shares *(approx.)*	Percentage of shareholding in the total issued share capital[11] *(approx.)*
Taizhou Medical High-tech Industry Investment Development Co., Ltd. ("**Taizhou Medical High-tech**")[9][10]	Interest in controlled corporations	H Shares	16,661,800 (L)	7.34%	7.34%
Taizhou Medicine City Holding Group Co., Ltd. ("**Taizhou Medicine**")[8][9][10]	Interest in controlled corporations	H Shares	26,494,600 (L)	11.67%	11.67%

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) Unlisted Shares and H Shares are regarded as two different types of Shares. For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. Following the completion of the conversion of 17,322,400 Unlisted Shares into 17,322,400 H Shares of the Company and the listing thereof on The Stock Exchange of Hong Kong Limited on March 27, 2025 (the "**Conversion and Listing**"), the H Shares increased by 17,322,400 Shares, while the Unlisted Shares decreased by 17,322,400 Shares. The total number of the issued shares of the Company after the Conversion and Listing remains unchanged.

(3) Hangzhou Quanyi is owned as to 50% by Mr. Qiu and 50% by Mr. Yu Guo'an, both being its general partners acting in concert pursuant to the supplemental partnership agreement of Hangzhou Quanyi. By virtue of the SFO, each of Mr. Qiu and Mr. Yu Guo'an is deemed to be interested in the Shares held by Hangzhou Quanyi.

(4) Mr. Qiu is the general partner who holds approximately 9.52% interest in Xinfu Tongxin. By virtue of the SFO, Mr. Qiu is deemed to be interested in the Shares held by Xinfu Tongxin.

(5) Ms. Xu Qiu is the spouse of Mr. Qiu. By virtue of the SFO, Ms. Xu Qiu is deemed to be interested in the Shares held by Mr. Qiu.

(6) Ms. Zhu Jing is the spouse of Mr. Yu Guo'an. By virtue of the SFO, Ms. Zhu Jing is deemed to be interested in the Shares held by Mr. Yu Guo'an.

(7) Zhongmei Huadong is wholly owned by Huadong Medicine. Huadong Medicine is owned as to approximately 41.67% by China Grand as its controlling shareholder. China Grand is owned as to approximately 92.97% by Beijing Grand, which is wholly owned by Mr. Hu Kaijun. By virtue of the SFO, each of Huadong Medicine, China Grand, Beijing Grand and Mr. Hu Kaijun is deemed to be interested in the Shares held by Zhongmei Huadong.

(8) Taizhou Hongtai Health Investment Management Center (Limited Partnership) ("**Hongtai Health**") is owned as to approximately 0.88% by Beijing Hongtai Tongchuang Investment Management Co., Ltd. ("**Hongtai Aplus**") as its general partner and 99.12% by Taizhou Huacheng Medical Investment Group Co., Ltd. ("**Taizhou Huacheng**"), being its limited partner. Hongtai Aplus is wholly owned by Qingdao Xinchen Sci-Tech Innovation Industrial Co., Ltd ("**Qingdao Xinchen**"), a company controlled by Mr. Sheng Xitai. Taizhou Huacheng is owned as to approximately 94.30% by Taizhou Medicine. By virtue of the SFO, each of Hongtai Aplus, Qingdao Xinchen, Mr. Sheng Xitai, Taizhou Huacheng and Taizhou Medicine is deemed to be interested in the Shares held by Hongtai Health.

(9) Taizhou Jianxin Venture Capital Co., Ltd. ("**Taizhou Jianxin**") is an investment fund company managed by Taizhou Huaxin, a company owned as to approximately 91.25% by Taizhou Huayin. Taizhou Huayin is owned as to approximately 41.76% by Taizhou Medical High-tech, 31.50% by Taizhou Oriental (a company owned as to 90% by Taizhou Medicine), and 10.50% by Taizhou Huacheng (a company owned as to approximately 94.30% by Taizhou Medicine). By virtue of the SFO, each of Taizhou Huaxin, Taizhou Huayin, Taizhou Medical High-tech and Taizhou Medicine is deemed to be interested in the Shares held by Taizhou Jianxin.

(10) Rongjianda is an investment fund company managed by Rongjianda VC, which is owned as to 81% by Taizhou Huayin. Rongjianda is owned as to approximately 33.33% by Taizhou High-tech Industry Investment Development Co., Ltd. (泰州市高新產業投資有限公司) ("**Taizhou High-tech**"), 33.33% by Taizhou Huayin and 32.33% by Taizhou Huajian, a company wholly owned by Taizhou Huayin. Taizhou High-tech is a wholly owned subsidiary of Taizhou Financial Holding Group Co., Ltd. (泰州市金融控股集團有限公司) ("**Taizhou Financial**"), a company owned as to approximately 60.13% by Taizhou People's Municipal Government State-owned Assets Supervision and Administration Commission (泰州市人民政府國有資產監督管理委員會). Taizhou Huayin is owned as to approximately 41.76% by Taizhou Medical High-tech, 31.50% by Taizhou Oriental (a company owned as to 90% by Taizhou Medicine), and 10.50% by Taizhou Huacheng (a company owned as to approximately 94.30% by Taizhou Medicine). By virtue of the SFO, each of Rongjianda VC, Taizhou High-tech, Taizhou Financial, Taizhou Huayin, Taizhou Medical High-tech and Taizhou Medicine is deemed to be interested in the Shares held by Rongjianda.

(11) As of the Latest Practicable Date, our Company has 227,071,600 total issued Shares.

Long positions in equity interest of members of our Group

Name of Shareholder	**Member of our Group**	**Nature of interest**	**Equity interest held immediately following the completion of the Global Offering** *(approx.)*
Taizhou Huacheng[(1)]	Cellularforce	Beneficial owner	34.00%
Taizhou Medicine[(1)]	Cellularforce	Interest in controlled corporation	34.00%

Note:

(1) Taizhou Huacheng is owned as to approximately 94.30% by Taizhou Medicine. By virtue of the SFO, Taizhou Medicine is deemed to be interested in the equity interest held by Taizhou Huacheng.

Save as disclosed above, as of the Latest Practicable Date, the Directors were not aware of any other persons/entities (other than the Directors, Supervisors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under the SFO.

3. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since December 31, 2024, being the date to which the latest published audited consolidated financial statements of our Group were made up.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, two of our non-executive Directors held management role or directorship in some companies which are principally engaged in production and sales of pharmaceutical products. Mr. Yu Xi, our non-executive Director, was nominated by Zhongmei Huadong, one of our Pre-IPO Investors, to be its representative in our Board. He is the general manager of investment and business development at Huadong Medicine, a pharmaceutical company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000963) and the parent company of Zhongmei Huadong. Mr. Wu Zhiqiang, our non-executive Director, was nominated by Taizhou Jianxin Venture Capital Co., Ltd. (泰州健鑫創業投資有限公司) and Taizhou China Medical City Rongjianda Venture Capital Co., Ltd. (泰州中國醫藥城融健達創業投資有限公司), two of our Pre-IPO Investors, to be their representative in our Board. He is currently serving as a director of Jiangsu Yingke Biopharmaceutical Co., Ltd. (江蘇盈科生物製藥有限公司) ("**Jiangsu Yingke**") (a company engaged in the research and development and production of fat emulsion formulations), and a director of Taizhou Hongyun Pharmaceutical Co., Ltd. (泰州紅雲製藥有限公司) ("**Taizhou Hongyun**") (a company engaged in the research and development of small molecule oncology drugs).

Our Directors are of the view that there is no material competition between each of Huadong Medicine, Taizhou Hongyun and Jiangsu Yingke, and our Group arising from Mr. Yu Xi or Mr. Wu's management role or directorship for the following reasons:

(a) we are a biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases. In comparison, (i) Huadong Medicine is a pharmaceutical company deeply engaged in the R&D, manufacturing and sales of specialty medication, chronic disease medication and special medication, and has formed a core product line focusing on chronic kidney disease, transplant immunity, endocrine, digestive system and anti-tumor fields; and (ii) Taizhou Hongyun principally engaged in the R&D and production of small-molecule chemical generics; and (iii) Jiangsu Yingke principally engaged in development and production of fat emulsion formulations;

(b) the management and operational decisions of our Group are made by our executive Directors and senior management. As our non-executive Directors, Mr. Yu Xi and Mr. Wu are not and will not be involved in the daily management and operation of our Group;

(c) our independent non-executive Directors constitute more than one third of our Board upon Listing and none of them has any relationship with Mr. Yu Xi, Mr. Wu or their respective associates. We believe that our independent non-executive Directors will bring independent judgment to the decision-making process of our Board and possess relevant experience to allow the proper functioning of our Board; and

(d) in case of conflict of interest between our Group and each of Huadong Medicine, Taizhou Hongyun and Jiangsu Yingke, Mr. Yu Xi and Mr. Wu will exercise their duties in accordance with relevant constitutional documents, applicable laws and regulations and corporate governance measures adopted by our Group.

Save as disclosed above, each of our Directors confirms that as of the Latest Practicable Date, he/she did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to our Group's business to which our Group or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or lease to, the group or any of its subsidiaries during the period since December 31, 2024, being the date to which the latest audited financial statements of our Group were made up, up to and including the Latest Practicable Date.

6. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of our Directors and Supervisors has entered into a service agreement or letter of appointment in relation to their appointment as the Company's director or supervisor (as the case maybe) with the Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors or Supervisors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

7. LITIGATION

As far as the Directors were aware, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

8. EXPERT'S CONSENT AND QUALIFICATIONS

Ignite Capital, which is the expert having given its opinion and/or advice which are contained in this circular, has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following are the name and qualifications of the expert:

Name	Qualifications
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 as defined under the SFO, the Independent Financial Adviser

9. EXPERT'S INTEREST

As at the Latest Practicable Date, Ignite Capital, which is the expert having given its opinion and/or advice which are contained in this circular, did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of our Group since December 31, 2024, being the date to which the latest audited financial statements of our Group were made up, or was proposed to be acquired, or disposed of by, or leased to any member of our Group, and was not beneficially interested in the shares of any member of our Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

10. MISCELLANEOUS

The Company's H share registrar is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The joint company secretaries of the Company are Mr. Hu Yanbao and Ms. Tang King Yin. Mr. Hu is our Board secretary while Ms. Tang is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, respectively.

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in the case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://www.qyuns.net) for a period of 14 days from the date of this circular:

(a) the QX001S Framework Agreement;

(b) the QX001S Supply Agreement;

(c) the Supplemental Agreements; and

(d) the expert consent letter issued by the Independent Financial Adviser.

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 OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the EGM 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, December 19, 2025 at 2:00 p.m. for the purpose of considering and, if thought fit, approving the following resolutions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated December 4, 2025 (the "**Circular**").

ORDINARY RESOLUTION

1. To consider and, if thought fit, approve the renewal of the New Annual Caps for the three financial years from 2026 to 2028 as set out in the Circular for the Continuing Connected Transactions under the QX001S Framework Agreement; and to authorize any Director to exercise all powers which they consider necessary and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the transactions contemplated under the QX001S Framework Agreement.

SPECIAL RESOLUTION

2. To consider and, if thought fit, approve the proposed amendments of the articles of association.

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

Hong Kong, December 4, 2025

As at 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 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.

Note:

1. The 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. In order to be eligible to attend and vote at the EGM, 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 Monday, December 15, 2025 (Hong Kong time) for registration.

3. A shareholder entitled to attend and vote at the EGM 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 authorized. 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 authorized 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 notarized.

5. In order to be valid, the form of proxy together with the notarized power of attorney or other authorization 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, December 18, 2025 (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 EGM.

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 be given to all joint holders of such share.

8. Shareholders or their proxies shall produce their identification documents for inspection when attending the EGM.