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**3DMed**

**思路迪**

**3D Medicines Inc.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1244)**

## **CONNECTED TRANSACTION THE LOAN AGREEMENT**

### **LOAN AGREEMENT**

On January 3, 2024, the Lender (a non-wholly owned subsidiary of the Company) entered into the Loan Agreement with the Borrower and the Guarantor, pursuant to which (i) the Lender has agreed to provide a short-term loan in the principal amount of RMB60,000,000 to the Borrower for a term of 14 natural days, and (ii) the Guarantor has agreed to provide guarantee in favour of the Lender to secure the payment obligations of the Borrower under the Loan Agreement.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Guarantor is a state-owned enterprise in Shinan District of Qingdao (青島市市南區) and a connected person at the subsidiary level as it is a shareholder of the Lender. The Borrower is also a state-owned enterprise in Shinan District of Qingdao (青島市市南區) and also an associate of the Guarantor.

Accordingly, the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) both the Borrower and Guarantor are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Loan Agreement; and (iii) the independent non-executive Directors have confirmed that the Loan Agreement is on normal commercial terms or better, and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Loan Agreement is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements.

Further, as all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Loan Agreement are less than 5%, the entering into of the Loan Agreement and the transactions contemplated thereunder do not constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

As the amount of the financial assistance granted to the Borrower does not exceed 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

## LOAN AGREEMENT

On January 3, 2024, the Lender (a non-wholly owned subsidiary of the Company) entered into the Loan Agreement with the Borrower and the Guarantor, pursuant to which (i) the Lender has agreed to provide a short-term loan in the principal amount of RMB60,000,000 to the Borrower for a term of 14 natural days, and (ii) the Guarantor has agreed to provide guarantee in favour of the Lender to secure the payment obligations of the Borrower under the Loan Agreement.

The principal terms of the Loan Agreement are summarized as follows:

Date:	January 3, 2024
Parties:	3D Medicines Biotechnology (Shanghai) Co., Ltd.* (思路迪生物醫藥(上海)有限公司), a non-wholly owned subsidiary of the Company, as the Lender;  Qingdao Huiquan Risheng Trading Co., Ltd.* (青島匯泉日昇貿易有限公司), as the Borrower; and  Qingdao Hainuo Investment Development Co., Ltd.* (青島海諾投資發展有限公司), as the Guarantor.
Principal Loan Amount:	RMB60,000,000
Interest:	Interest shall accrue at the rate of 8% per annum and shall be calculated on the basis of actual number of borrowing days elapsed and on a 365-day per year basis.
Term:	14 natural days commencing from the date of the drawdown of the loan
Repayment:	The Borrower shall repay to the Lender the entire principal amount of the Loan, together with interest accrued thereon, in cash to the Lender on or before the end of 14 natural days from the date of drawdown of the loan.
Default Interest:	If the Borrower shall be in default in payment of any sum payable under the Loan Agreement, the Borrower shall be liable to pay an additional interest on the outstanding sum at the rate of 0.5% per day from the due date of payment up to the actual repayment thereof (both days inclusive).
Guarantee:	The Guarantor agreed to provide guarantee in favour of the Lender to secure the payment obligations of the Borrower under the Loan Agreement.
Purpose of the Loan:	The loan shall supplement the general working capital of the Borrower.

The terms of the Loan Agreement have been arrived by the Lender, the Borrower and the Guarantor after arm's length negotiation, having regard to the market conditions.

## **REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT**

The Board considers that the Loan Agreement represents an opportunity to increase the short-term return on idle capital in a risk-controlled manner. The Group currently has surplus cash resources and the entering into of the Loan Agreement will allow for a more efficient use of such resources and generate a greater return. It is expected that entering into the Loan Agreement and utilizing the surplus cash resources of the Group would generate profits and interest income to the Group and thus maximize the Group's return on its available cash reserves without compromising the Group's risk exposure.

The terms of the Loan Agreement, including the interest rates applicable, were negotiated and arrived at after arm's length negotiations between the Lender, the Borrower and the Guarantor, having taken into account the prevailing market interest rates and practices. The Loan Agreement was entered into by the Lender having regard to (i) the good financial position and the existing cash surplus of the Group; (ii) the interest income per annum to be generated by the transactions contemplated under the Loan Agreement being more favorable than that offered by banks in Hong Kong for a 1-month fixed deposit; (iii) the repayment capacity of the Borrower with reference to its credit report; (iv) the provision of a guarantee by the Guarantor; and (v) the credit-worthiness of the Guarantor with reference to its credit report.

In view of the above, the Directors (including the independent non-executive directors) consider that the terms of the Loan Agreement are on normal commercial terms or better to the Group and the transactions contemplated under the Loan Agreement is fair and reasonable, and in the interests of the Company and the Shareholders taken as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Guarantor is a state-owned enterprise in Shinan District of Qingdao (青島市市南區) and a connected person at the subsidiary level as it is a shareholder of the Lender. The Borrower is also a state-owned enterprise in Shinan District of Qingdao (青島市市南區) and also an associate of the Guarantor.

Accordingly, the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) both the Borrower and Guarantor are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Loan Agreement; and (iii) the independent non-executive Directors have confirmed that the Loan Agreement is on normal commercial terms or better, and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Loan Agreement is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements.

Further, as all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Loan Agreement are less than 5%, the entering into of the Loan Agreement and the transactions contemplated thereunder do not constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

As the amount of the financial assistance granted to the Borrower does not exceed 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

None of the Directors has a material interest in the Loan Agreement and the transactions contemplated thereunder, and therefore none of the Directors was required to abstain from voting on the Board resolution in relation to the Loan Agreement and the transactions contemplated thereunder.

## GENERAL

The Group is a bio-pharmaceutical company principally engaged in the research and development of oncology therapies for cancer patients, especially those who require long-term care. The Group has multiple clinical-stage pipeline candidates, with its core product envafolimab (brand name: ENWEIDA, 恩維達®) commercialized in December 2021.

The Lender, a limited liability company incorporated under the laws of the PRC, is a non-wholly owned subsidiary of the Company. It is owned as to 89.40% and 0.06% by our wholly-owned subsidiaries, 3D Medicines (Hong Kong) Co., Limited (思路迪醫藥科技(香港)有限公司) and Integral Lane Holdings Limited respectively, and as to 10.54% by the Guarantor. It is principally engaged in research and development of the Group's pipeline candidates.

The Borrower, a limited liability company incorporated under the laws of the PRC, is a state-owned enterprise in Shinan District of Qingdao (青島市市南區). It is principally engaged in the import, export and sales of goods and technology.

The Guarantor, a limited liability company incorporated under the laws of the PRC, is a state-owned enterprise in Shinan District of Qingdao (青島市市南區). It is principally engaged in three core businesses: investment, financing and trading, urban renewal and construction, metaverse and technology industrial park operation.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“Borrower”	Qingdao Huiquan Risheng Trading Co., Ltd.* (青島匯泉日昇貿易有限公司), a limited liability company incorporated under the laws of the PRC, which is a state-owned enterprise in Shinan District of Qingdao (青島市市南區).
“Company”	3D Medicines Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange (stock code: 1244)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company, including all executive, non-executive and independent non-executive directors
“Group”	the Company and its subsidiaries

“Guarantor”	Qingdao Hainuo Investment Development Co., Ltd.* (青島海諾投資發展有限公司), a limited liability company incorporated under the laws of the PRC, which holds 10.54% equity interests in the Lender and is a state-owned enterprise in Shinan District of Qingdao (青島市市南區)
“Lender”	3D Medicines Biotechnology (Shanghai) Co., Ltd.* (思路迪生物醫藥(上海)有限公司), a non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Agreement”	the loan agreement entered into between the Lender, the Borrower and the Guarantor on January 3, 2024
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

\* *for identification only*

By Order of the Board of  
**3D Medicines Inc.**  
**Dr. Gong Zhaolong**  
*Chairman*

Hong Kong, January 4, 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Dr. GONG Zhaolong as executive Director, Mr. ZHU Pai, Mr. ZHOU Feng and Ms. CHEN Yawen as non-executive Directors, and Dr. LI Jin, Dr. LIN Tat Pang and Mr. LIU Xinguang as independent non-executive Directors.*