# 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)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS OF THE COMPANY AND CHANGE IN COMPOSITION OF THE STRATEGY AND DEVELOPMENT COMMITTEE

The Board of the Company is pleased to announce the audited consolidated results of the Group for the Reporting Period, together with the audited comparative figures for the year ended December 31, 2023. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee.

**FINANCIAL HIGHLIGHTS**

| | For the year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| **Operating Results** | ***RMB'000*** | *RMB'000* |
| Revenue | **158,793** | – |
| Cost of sales | **(66,600)** | – |
| Gross profit | **92,193** | – |
| Other income | **28,816** | 24,921 |
| Research and development expenses | **(334,277)** | (364,404) |
| Loss for the year | **(349,687)** | (521,260) |
| Loss per share – Basic and diluted *(in RMB)* | **(1.53)** | (2.47) |
| Adjusted loss for the year (as illustrated under "**Non-IFRS Measures**") | **(274,227)** | (389,963) |

| | As of December 31, | |
|---|---|---|
| | **2024** | 2023 |
| **Financial Position** | ***RMB'000*** | *RMB'000* |
| Cash and cash equivalents and financial assets at fair value through profit or loss (FVPL) | **556,127** | 376,714 |
| Total non-current assets | **367,152** | 377,254 |
| Total current assets | **616,725** | 418,329 |
| Total non-current liabilities | **332,666** | 242,857 |
| Total current liabilities | **430,161** | 251,776 |
| Net current assets | **186,564** | 166,553 |
| Total equity | **221,050** | 300,950 |

***Revenue***

The Group's revenue amounted to RMB158.8 million for the year ended December 31, 2024, which mainly derives from (i) license fee income of RMB100.9 million from the licensing-out deals of QX008N and QX004N, (ii) a revenue of RMB55.7 million generated from the provision of research and development services for the licensing-out deals of QX008N and QX004N, and CDMO services, and (iii) a revenue of RMB2.1 million generated from QX001S supply. Due to the growing scale of CDMO services business, the Group have recognized such income as revenue in 2024 instead of as other income in 2023. Our income generated from CDMO services increased by RMB11.7 million from RMB12.1 million in 2023 to RMB23.8 million in 2024. The provision of CDMO services is to utilize the surplus capacity of our manufacturing facility and is not positioned to be our main operating business.

***Cost of Sales***

Our Group's cost of sales amounted to RMB66.6 million for the year ended December 31, 2024, which mainly consists of (i) the cost incurred corresponding to the provision of research and development service for QX004N and QX008N and (ii) the cost incurred corresponding to our CDMO services. The Group have recognized the cost incurred corresponding to our CDMO services as cost of sales to align with the reclassification of our income in 2024 as mentioned above.

***Research and Development Expenses***

Our research and development expenses decreased by 8.3% from RMB364.4 million in 2023 to RMB334.3 million in 2024, primarily attributable to (i) RMB26.3 million of the clinical cost of QX004N and QX008N reclassified as cost of sales under the License-Out Agreement with Hansoh (Shanghai) and Joincare; and (ii) equity – settled share-based payment expenses decreased by RMB15.5 million. The above decrease of expenses was partially offset by an increase of RMB19.1 million in third party contracting costs.

***Non-IFRSs Measures:***[(1)]

| | **2024** | 2023 | Changes | Year-on-year changes |
|---|---|---|---|---|
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *%* |
| Loss for the year | **(349,687)** | (521,260) | 171,573 | (33%) |
| *Add:* | | | | |
| Equity-settled share-based payment expenses | **75,460** | 131,297 | (55,837) | (43%) |
| Adjusted loss for the year | **(274,227)** | (389,963) | 115,736 | (30%) |

(1) Adjusted loss for the year represents the loss for the year excluding the effect of certain non-cash items, namely the share-based compensation expenses. The term adjusted loss for the year is not defined under IFRSs. The use of this non-IFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRSs. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRSs measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable.

## BUSINESS REVIEW

### Overview

Founded in 2015, we are a clinical-stage biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases, with a self-developed drug pipeline and an established commercial-scale in-house manufacturing capability. As of the Latest Practicable Date, we have two Core Products, QX002N and QX005N, both of which are self-developed. QX002N is an IL-17A inhibitor and the Phase III clinical trial for ankylosing spondylitis (AS) in China of QX002N has reached primary endpoint in February 2025. QX005N is a monoclonal antibody (mAb) blocking IL-4Ra. As of the Latest Practicable Date, the patient enrollment for atopic dermatitis (AD) Phase III clinical trails in China of QX005N are nearing completion, and on March 19, 2025, the patient enrollment for prurigo nodularis (PN) Phase III clinical trails in China of QX005N was completed. We have seven other pipeline drug candidates in addition to our Core Products, in particular, QX001S, an IL-12/L-23p40 inhibitor for psoriasis (Ps), has received Drug Registration Certificate approved and issued by the NMPA in October 2024 with the brand name of SAILEXIN, which made it the first biosimilar drug of Ustekinumab Injection in China. Our pipeline covers four major areas in the autoimmune and allergic disease field, namely, skin, rheumatic, respiratory and digestive diseases.

During the year ended December 31, 2024, we have successfully accomplished strategic collaboration with the following business partners for the development and commercialization of our Core Products and Key Drug Candidates:

- ***QX008N***

  In January 2024, we entered into a technology transfer agreement with Joincare and granted exclusive rights to Joincare to develop, manufacture, and commercialize QX008N in China, Hong Kong, and Macau.

- ***QX004N***

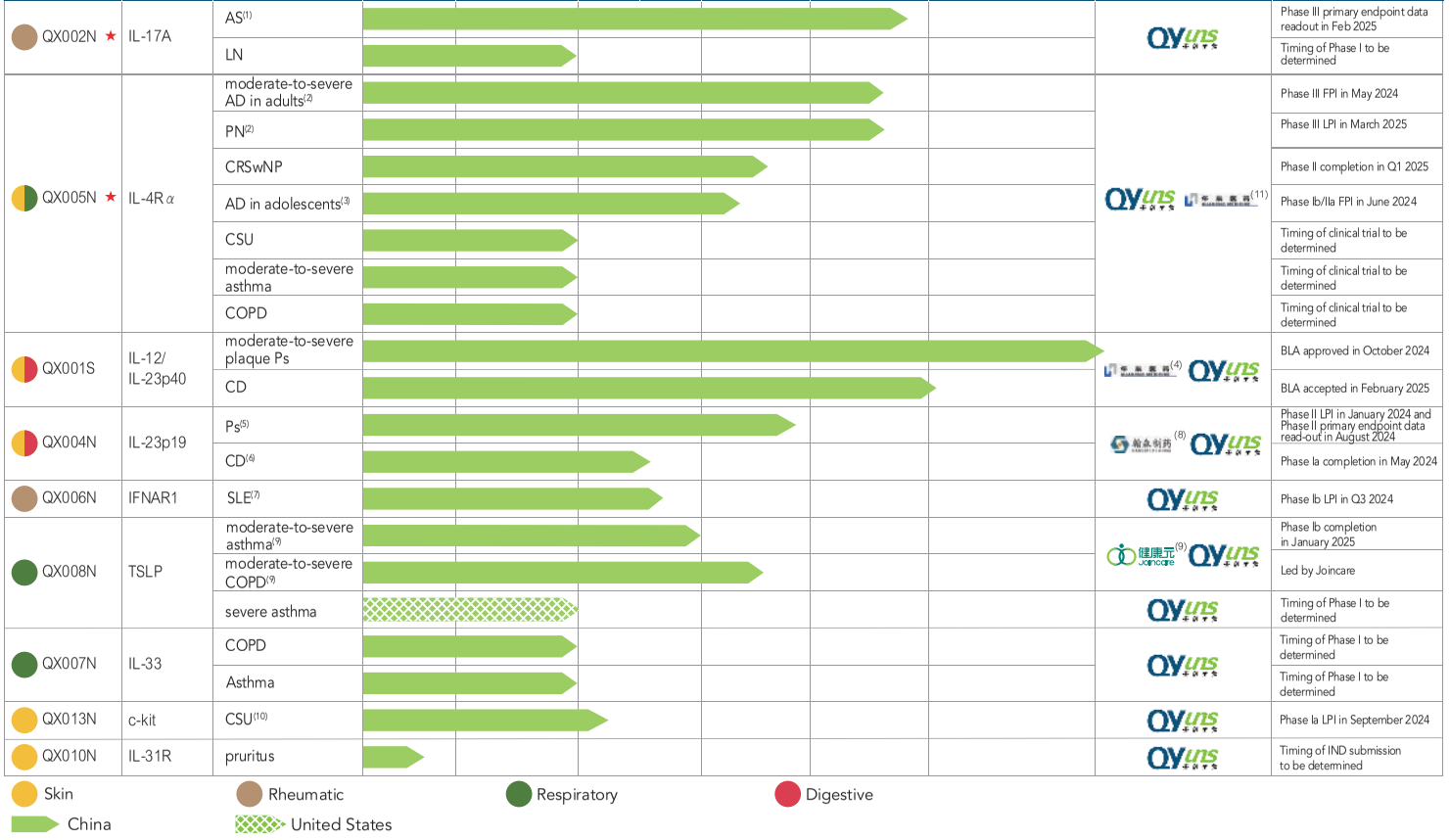
  In April 2024, we entered into an exclusive out licensing agreement with Hansoh for the research and development ("**R&D**"), manufacturing, and commercialization of QX004N within the Authorized Territory. Based on the agreement, Hansoh has paid an upfront payment of RMB75.0 million and is required to make potential payments upon reaching R&D, regulatory and sales-based commercial milestones of up to RMB1,032.0 million, plus tiered royalties on future product sales.

- ***QX005N***

  In July 2024, we entered into a Cooperation Agreement with Zhongmei Huadong, pursuant to which Zhongmei Huadong will co-develop QX005N together with the Company within the Authorized Territory, including clinical and non-clinical studies and registration related work. The collaboration includes shared responsibility for 50% of Phase III clinical trial costs, accelerating late-stage development and enhancing the commercialization potential in the future.

The following chart summarizes our portfolio of drug candidates as of the Latest Practicable Date:

| Drug | Target | Indication | Commercialization Rights | Recent Progress |
|---|---|---|---|---|
| QX002N ★ | IL-17A | AS[1] | QYuns | Phase III primary endpoint data readout in Feb 2025 |
| | | LN | QYuns | Timing of Phase I to be determined |
| QX005N ★ | IL-4Rα | moderate-to-severe AD in adults[2] | QYuns, 华益药业[11] | Phase III FPI in May 2024 |
| | | PN[2] | QYuns, 华益药业[11] | Phase III LPI in March 2025 |
| | | CRSwNP | QYuns, 华益药业[11] | Phase II completion in Q1 2025 |
| | | AD in adolescents[3] | QYuns, 华益药业[11] | Phase Ib/IIa FPI in June 2024 |
| | | CSU | QYuns, 华益药业[11] | Timing of clinical trial to be determined |
| | | moderate-to-severe asthma | QYuns, 华益药业[11] | Timing of clinical trial to be determined |
| | | COPD | QYuns, 华益药业[11] | Timing of clinical trial to be determined |
| QX001S | IL-12/ IL-23p40 | moderate-to-severe plaque Ps | 华益药业[4], QYuns | BLA approved in October 2024 |
| | | CD | 华益药业[4], QYuns | BLA accepted in February 2025 |
| QX004N | IL-23p19 | Ps[5] | 歌礼制药[8], QYuns | Phase II LPI in January 2024 and Phase II primary endpoint data read-out in August 2024 |
| | | CD[6] | 歌礼制药[8], QYuns | Phase Ia completion in May 2024 |
| QX006N | IFNAR1 | SLE[7] | QYuns | Phase Ib LPI in Q3 2024 |
| QX008N | TSLP | moderate-to-severe asthma[9] | 健康元[9], QYuns | Phase Ib completion in January 2025 |
| | | moderate-to-severe COPD[9] | 健康元[9], QYuns | Led by Joincare |
| | | severe asthma | QYuns | Timing of Phase I to be determined |
| QX007N | IL-33 | COPD | QYuns | Timing of Phase I to be determined |
| | | Asthma | QYuns | Timing of Phase I to be determined |
| QX013N | c-kit | CSU[10] | QYuns | Phase Ia LPI in September 2024 |
| QX010N | IL-31R | pruritus | QYuns | Timing of IND submission to be determined |




★ Core Product

AD: atopic dermatitis
AS: ankylosing spondylitis
CD: Crohn's disease
COPD: chronic obstructive pulmonary disease
CRSwNP: chronic rhinosinusitis with nasal polyps
CSU: chronic spontaneous urticaria
LN: lupus nephritis
PN: prurigo nodularis
Ps: psoriasis
SLE: systemic lupus erythematosus
UC: ulcerative colitis

IFNAR1: interferon-alpha/beta receptor subunit 1
IL-4Rα: interleukin-4 receptor subunit α
IL-12/IL-23p40: interleukin-12/interleukin-23 subunit p40
IL-17A: interleukin-17A
IL-23p19: interleukin-23 subunit p19
IL-31R: interleukin-31 receptor
IL-33: interleukin-33
TSLP: thymic stromal lymphopoietin
c-kit: a type III receptor tyrosine kinase

*Notes:*

(1) We continued to proceed with a Phase III clinical trial of QX002N for AS and this trial had reached its primary endpoint in February 2025.

(2) We commenced a Phase III clinical trial of QX005N for PN and a Phase III clinical trial of QX005N for moderate-to-severe AD in adults, and the FPI for these trials were in May 2024. On March 19, 2025, the subject enrollment for the Phase III clinical trial of QX005N for the treatment of PN was completed. Please refer to the announcement of our Company dated March 20, 2025 for further information.

(3) We commenced a Phase Ib/IIa clinical trial of QX005N for AD in adolescents, the FPI was in June 2024.

(4) In August 2020, we entered into a collaboration agreement with Zhongmei Huadong, a subsidiary of Huadong Medicine, with respect to the joint development and exclusive commercialization of QX001S in China. We retain the exclusive development and commercialization rights of QX001S outside China. QX001S has received Drug Registration Certificate approved and issued by the NMPA on October 29, 2024, with the brand name of SAILEXIN. On March 3, 2025, Zhongmei Huadong received the Notice of Approval of Supplemental Application for Drugs from the NMPA, and the supplemental application for QX001S to add the new indication of pediatric plaque psoriasis has been approved. Please refer to the announcement dated March 3, 2025 for details.

(5) We completed Phase II primary endpoint data read-out in August 2024. In March 2025, Phase II clinical data for QX004N was disclosed by our partner Hansoh in a breakthrough oral presentation at the American Academy of Dermatology (AAD) Annual Meeting.

(6) As of the Latest Practicable Date, we had completed Phase Ia clinical trial of QX004N for CD.

(7) As of the Latest Practicable Date, we were conducting Phase Ib clinical trial of QX006N for SLE.

(8) In April 2024, we entered into an exclusive outlicensing agreement with Hansoh (Shanghai) regarding the research and development, manufacturing, and commercialization of QX004N in the Authorized Territory (the "**License-Out Agreement**"). The Company retains all its rights to QX004N outside the Authorized Territory.

(9) In January 2024, we entered into a technology transfer agreement with Joincare to grant Joincare an exclusive license to develop, manufacture and commercialize QX008N in China, Hong Kong and Macau. Joincare will be responsible for the BLA application and will be the MAH of QX008N in the aforementioned area, once approved. We retain the exclusive rights to develop, manufacture and commercialize QX008N outside China, Hong Kong and Macau. As of Latest Practicable Date, Joincare is conducting Phase ll clinical trial for COPD in China.

(10) The FPI for the Phase Ia clinical trial for QX013N for CSU was in June 2024, and the LPI was completed in September 2024.

(11) In July 2024, the Company entered into a Cooperation Agreement with Zhongmei Huadong, pursuant to which Zhongmei Huadong will co-develop QX005N together with the Company, including clinical and non-clinical studies and registration related work. Please refer to the announcement of the Company dated July 21, 2024 and circular dated September 27, 2024.

**Our Core Products**

***QX005N***

QX005N is an innovative humanized monoclonal antibody targeting the human IL-4 receptor alpha subunit (IL-4Rα). Through specific binding with IL-4Rα, QX005N blocks the binding of IL-4Rα with both IL-4 and IL-13, and also inhibits the signaling pathways and biological effects mediated by IL-4 and IL-13, thus exerting therapeutic effects on type 2 inflammatory allergic diseases. As of the Latest Practicable Date, QX005N injection has received seven IND approvals for various indications, including moderate-to-severe AD in adults, AD in adolescents aged 12-17, PN, CRSwNP, CSU, asthma, and COPD.

On May 10, 2024, the first subject was enrolled for the Phase III clinical trial of QX005N for moderate-to-severe AD in adults. In addition, the first subject was enrolled for the Phase Ib/IIa clinical trial of QX005N for AD in adolescents in June 2024.

The result of Phase II clinical trial of QX005N for PN was released through oral presentation at the 29th Annual Meeting of Chinese Society of Dermatology. Based on the data from such trial, the CDE granted QX005N the breakthrough therapy designation (BTD) for the treatment of PN in January 2024, signifying its superior clinical benefits compared to current treatment methods. The BTD is designed to expedite the development and regulatory review of innovative drugs demonstrating substantial potential in addressing serious conditions. In addition, on May 29, 2024, the first subject was enrolled for the Phase III clinical trial of QX005N for PN by our Company. This is the first Phase III clinical trial conducted by a Chinese domestic enterprise for the indication of PN in China. And as of March 19, 2025, we have completed patient enrollment of 409 patients for the Phase III clinical trial of QX005N for PN. Please refer to the announcement of our Company dated May 29, 2024, June 14, 2024 and March 20, 2025 for further information.

We also commenced a Phase II clinical trial of QX005N for CRSwNP in April 2023 and completed LPI of this clinical trial in China in April 2024.

In July 2024, we entered into a Cooperation Agreement with Zhongmei Huadong, pursuant to which Zhongmei Huadong will co-develop QX005N together with the Company within the Authorized Territory, including clinical and non-clinical studies and registration related work. The collaboration includes shared responsibility for 50% of Phase III clinical trial costs, accelerating late-stage development and enhancing the commercialization potential in the future.

***QX002N***

QX002N is a high-affinity monoclonal antibody targeting IL-17A, a key player in the pathological mechanism of various autoimmune diseases. IL-17A inhibitors are recommended by prevailing clinical guidelines as second-line standalone treatment (the same designation as TNF inhibitors) for AS patients with high disease activity after receiving first-line traditional treatments. Between the two classes of biologics (i.e., TNF inhibitors and IL-17A inhibitors), IL-17A inhibitors demonstrate significant clinical benefits for both TNF-α inhibitor-naïve patients and those who are intolerant to or unable to achieve adequate disease control with TNF-α inhibitors.

Subject enrollment for the Phase III clinical trials of QX002N for AS, a total of 641 subjects with moderate-to-severe active ankylosing spondylitis were enrolled in the study, including 322 in the QX002N group and 319 in the placebo group, was completed in September 2024. Topline results announced on February 24, 2025 that the ASAS40 response rate at week 16 in the treatment group receiving 160 mg of QX002N administered every four weeks (Q4W) was 40.4%, which was significantly higher than the 18.9% in the placebo group (P<0.0001) and the 65.2% ASAS20 response rate of QX002N treatment group also significantly trumps the response rate of placebo group (P<0.0001), which was 41.3%. The trial results confirmed that the trial successfully met both its primary endpoint and key secondary endpoints. Please refer to the announcement of our Company dated February 24, 2025 for further information.

**Cautionary Statement required under Rule 18A.08(3) of the Listing Rules**

There is no assurance that we will ultimately develop or market our Core Products successfully. Shareholders and potential investors of our Company are advised to exercise with caution when dealing in the Shares of our Company.

**Our Other Key Drug Candidates**

***QX001S***

QX001S (Trade Name: SAILEXIN) was approved by the NMPA in October 2024 as China's first ustekinumab biosimilar and the first product in our Company's pipeline to receive regulatory approval and marketing authorization. Initially approved by the FDA in 2009, ustekinumab was the first biologic treatment to selectively inhibit the IL-23 and IL-12 pathways and has been widely regarded as one of the major treatments for Ps 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). According to the database of Menet, the sales of Stelara® in 2023 and the first half of 2024 amounted to RMB1,322 million and RMB739 million, respectively.

Zhongmei Huadong, a subsidiary of Huadong Medicine and our commercialization partner for QX001S, submitted a BLA in China in July 2023, which was accepted by the NMPA in August 2023 and was approved on October 29, 2024. After we received the approval for moderate-to-severe plaque psoriasis in adults, we made supplemental application for QX001S for use in pediatric plaque psoriasis and for Ustekinumab Injection for use in Crohn's disease. Please refer to the announcement of our Company dated December 2, 2024 and February 12, 2025 for further information. On March 3, 2025, Zhongmei Huadong received the Notice of Approval of Supplemental Application for Drugs from the NMPA, and the supplemental application for QX001S to add the new indication of pediatric plaque psoriasis has been approved. Please refer to the announcement dated March 3, 2025 for details. We expect QX001S to be an affordable drug for a broad section of Ps patients and as of the Latest Practicable Date, Zhongmei Huadong has initiated nationwide sales operations across China.

***QX004N***

We are developing QX004N, an IL-23p19 inhibitor, for Ps and CD. IL-23p19 has emerged as a key target associated with superior efficacy for Ps patients with more severe symptoms or inadequate response to existing treatments.

In August 2024, the trial completed its 28-week Independent Data Monitoring Committee (IDMC)-reviewed interim analysis, which confirmed favorable safety and efficacy trends supporting continued development. Primary endpoint data read-out for the Phase II trial was also finalized in August 2024, further validating the compound's therapeutic potential. In December 2024, Phase I clinical data for QX004N was published in JAMA Dermatology, a top-tier journal in dermatology. In March 2025, Phase II clinical data for QX004N was disclosed by our partner Hansoh in a breakthrough oral presentation at the American Academy of Dermatology (AAD) Annual Meeting. The Phase II study demonstrated robust efficacy and favorable safety of QX004N (Hansoh R&D code: HS-20137) in patients with moderate-to-severe plaque psoriasis over a 28-week treatment period. After 16 weeks of treatment, 76.9% of subjects achieved ≥90% improvement in Psoriasis Area and Severity Index (PASI) scores from baseline, with this proportion rising to 89.7% at 24 weeks.

We also commenced a Phase Ia clinical trial of QX004N for CD in China in February 2023, and have completed this Phase Ia clinical trial in May 2024.

In April 2024, we entered into an exclusive outlicensing agreement with Hansoh (Shanghai) for the research and development, manufacturing, and commercialization of QX004N within the Authorized Territory (the "**License-Out Agreement**"). The Company retains all its rights to QX004N outside the Authorized Territory. Under the terms of the License-Out Agreement, we have received an upfront payment of RMB75.0 million and potential payments upon reaching R&D, regulatory and sales-based commercial milestones of up to RMB1,032.0 million, plus tiered royalties on future product sales.

***QX008N***

QX008N is a humanized IgG1 mAb targeting TSLP, designed for the treatment of moderate-to-severe asthma and moderate-to-severe COPD. TSLP-targeting therapy is the only class of biologic drugs globally approved for asthma that can slow disease progression for asthma patients with low-level or no expression of type 2 biomarkers.

In January 2025, we completed CSR of Phase Ib clinical trial of QX008N in adult patients with moderate-to-severe asthma. In January 2024, we entered into a technology transfer agreement with Joincare to grant Joincare an exclusive license to develop, manufacture and commercialize QX008N in China, Hong Kong and Macau. Going forward, Joincare will be responsible for proceeding with the subsequent clinical trials and the BLA application of QX008N and it will be the MAH of QX008N in the aforementioned area, once approved. We retain the exclusive rights to develop, manufacture and commercialize QX008N outside China, Hong Kong and Macau. As of Latest Practicable Date, Joincare is conducting Phase ll clinical trial of QX008N (Joincare R&D code: JKN24011) for COPD in China.

***QX013N***

QX013N is a humanized IgG1 mAb targeting c-kit (a type III receptor tyrosine kinase) and indicated for CSU. C-kit is a master regulator of mast cells, which are the primary effector cells in CSU. QX013N specifically binds to c-kit to inhibit the differentiation, maturation, survival, proliferation and degranulation of mast cells, resulting in the reduction and depletion of mast cells for treatment of mast cell-driven diseases such as CSU.

On May 9, 2024, QX013N received the IND clearance from the CDE of the NMPA of China for treatment of CSU. QX013N is the first biologic drug candidate targeting c-kit in China. The approval of QX013N in CSU indicates that the Company has established a comprehensive presence in the four major dermatological indications (psoriasis, atopic dermatitis, prurigo nodularis and CSU), further consolidating its competitive advantages in dermatology. The FPI for the Phase Ia clinical trial of QX013N for CSU was in June 2024, and the LPI was completed by September 2024. As of the Latest Practicable Date, we were actively preparing the CSR for this trial.

***QX006N***

We are developing QX006N, an IFNAR1-targeting mAb, for the treatment of SLE. SLE has been a difficult indication for new drug development. SAPHNELO® (anifrolumab), a first-in-class IFNAR1 inhibitor, was approved by the FDA in 2021, making it the only new SLE treatment in about 10 years since 2011.

We initiated Phase Ib clinical trial of QX006N for SLE, and have successfully finalized Last Patient Out in October 2024. As of the Latest Practicable Date, we were actively preparing the CSR for the Phase Ib clinical trial.

***QX007N***

QX007N is a humanized IgG1 monoclonal antibody targeting IL-33, one of the recently discovered members of the IL-1 family. We are developing QX007N for the treatment for moderate-to-severe COPD and asthma. We obtained IND approvals of QX007N for the treatment of COPD and asthma from the NMPA in February 2024.

**Research and Development**

Research and development ("**R&D**") is crucial to our sustainable success. We are a clinical-stage biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases, with a self-developed drug pipeline. We believe R&D is critical to our ability to grow into a biopharmaceutical company and remain competitive in the industry. We have established an integrated R&D platform as the foundation for our continuous innovation. The platform comprises six R&D components, including (i) mAb screening and function verification; (ii) innovative mechanisms and structural design for bispecific antibody development; (iii) analytical method development; (iv) cell line screening and process development; (v) drug formulation development; and (vi) preclinical and clinical sample analysis and testing. We also have established a commercial-scale in-house manufacturing facility which supports our R&D activities from preclinical and clinical trial drug manufacturing to future commercial manufacturing. As of December 31, 2024, we are able to conduct our R&D with high efficiency, having obtained 20 IND approvals (19 from the NMPA and 1 from the FDA) over the past 9 years and received a number of awards recognizing our R&D capabilities. We have set up two clinical development centers in Beijing and Shanghai and conduct our R&D activities through an in-house team, as well as engagement of external CROs, as is in line with industry practice. As of December 31, 2024, our in-house R&D team comprised 125 members, approximately 59% of which had a master's degree or above in biology or pharmacy-related field.

For the year ended December 31, 2024, our total R&D costs amounted to approximately RMB334.3 million.

The following table sets forth a breakdown of our total R&D costs:

| | **Year ended December 31,** | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Staff costs | **66,987** | 92,989 |
| Depreciation and amortization | **16,125** | 23,851 |
| Third party contracting costs | **219,476** | 200,388 |
| Raw materials and consumables | **12,616** | 18,647 |
| Others | **19,073** | 28,529 |
| Total | **334,277** | 364,404 |

**Manufacturing and Commercialization**

Our production facility is meticulously constructed in strict compliance with the current Good Manufacturing Practice (cGMP) standards of China, the United States, and the European Union. At present, we have successfully obtained the Drug Manufacturing License. Moreover, in November 2024, the facility of Cellularforce passed the GMP compliance inspection for QX001S drug substance and drug product manufacture organized by the NMPA. The facility is located at our headquarters in Taizhou, Jiangsu and occupies 57,977 sq.m. of land. Our manufacturing site has one drug substance production line and two formulation production lines. The drug substance production line has four 2,000 L single-use bioreactors and relevant downstream purification production line with an annual manufacturing capacity of approximately 300 kg therapeutic antibodies. The formulation production lines have one vial production line for 2 ml, 10 ml and 30 ml specifications, with a manufacturing capacity of 18,000 vials/hour, and one prefilled syringe fill-finish and packaging production line for 1 ml and 2 ml specifications, with a manufacturing capacity of 9,000 syringes/hour. We believe that our self-owned cGMP-standard manufacturing capability, coupled with our strong R&D capability, will allow us to achieve reliable cost control and ensure stable clinical and commercial drug supply to any supply chain disruptions.

Going forward, we plan to leverage the strong physician resources and networks of established pharmaceutical companies to build connections with participants in the drug sales and distribution chain, to prepare us for future commercial launches of our drug candidates. In the future, we plan to build a relatively small, indication-specialized in-house commercialization team, beginning with indications with relatively limited patient populations treated in a small number of key hospitals, leveraging our deep understanding of these indications and physician resources.

**Intellectual Property**

As of the December 31, 2024, we held 50 patents in China, including 40 invention patents and 10 utility models, as well as 10 patents overseas. As of the same date, we also had 47 patent applications pending in China and overseas. In particular, with respect to our Core Products, we had 9 registered patents and 1 pending patent application for QX002N and 6 registered patents and 3 pending patent applications for QX005N. All of our patents and patent applications are self-owned. As of the December 31, 2024, we had registered 93 trademarks in the PRC and Hong Kong and we submitted applications for 2 trademarks in the PRC. As of the same date, we were also the registered owner of 21 domain names in the PRC. During the year ended December 31, 2024, we had not been involved in any material proceeding in respect of, and we had not received notice of any material claim of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent that may have a material adverse impact on us.

**Employees and Remuneration**

As of December 31, 2024, the Group had 339 employees, all of whom were based in China.

The number of employees of the Group varies from time to time depending on need. The remuneration package of the Group's employees includes salary, bonus and equity incentives, which are generally determined by their qualifications, industry experience, position and performance. Our Company makes contributions to social insurance and housing provident funds in accordance with relevant laws and regulations.

Our Company has conditionally adopted an Employee Share Incentive Scheme to eligible participants for their contribution or potential contribution to the Group.

The total staff costs (including Directors' emoluments) incurred by the Group for the year ended December 31, 2024 was approximately RMB168.8 million, as compared to approximately RMB222.4 million for the year ended December 31, 2023.

For the year ended December 31, 2024, the Group did not experience any material labor disputes or strikes that may have a material adverse effect on the Group's business, financial condition or results of operations, or any difficulty in recruiting employees.

**Future Outlook**

Going forward, we plan to pursue the following strategies, which we believe will further strengthen our core competitive strengths and enable us to capture rising business opportunities:

- Build leadership in dermatology, advance bispecific antibody drug candidates and strategically expand our pipeline;
- Continue to optimize CMC quality management system and improve production efficiency and enhance manufacturing capacity utilization;
- Cooperate with established pharmaceutical companies in commercialization;
- Explore international expansion opportunities; and
- Continue to recruit and develop talent.

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2024 and up to the Latest Practicable Date.

**FINANCIAL REVIEW (Selected Data)**

| | **December 31, 2024** ***RMB'000*** | December 31, 2023 RMB'000 |
|---|---|---|
| **Revenue** | **158,793** | – |
| Cost of sales | **(66,600)** | – |
| **Gross profit** | **92,193** | – |
| Other income | **28,816** | 24,921 |
| Other net gain/(loss) | **3,747** | (435) |
| Administrative expenses | **(115,925)** | (164,594) |
| Research and development expenses | **(334,277)** | (364,404) |
| **Loss from operations** | **(326,372)** | (504,512) |
| Finance costs | **(23,388)** | (16,821) |
| **Loss before taxation** | **(349,760)** | (521,333) |
| Income tax | **73** | 73 |
| **Loss for the year** | **(349,687)** | (521,260) |
| Loss per share – Basic and diluted *(in RMB)* | **(1.53)** | (2.47) |
| Adjusted loss for the year (as illustrated under "**Non-IFRS Measures**") | **(274,227)** | (389,963) |

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this announcement.

**Analysis of Our Key Items of Our Results of Operations**

***Revenue***

The Group's revenue amounted to RMB158.8 million for the year ended December 31, 2024, which mainly derives from (i) license fee income of RMB100.9 million from the licensing-out deals of QX008N and QX004N, which demonstrates the strong research and development abilities of the Group, (ii) a revenue of RMB55.7 million generated from the provision of research and development services for the licensing-out deals of QX008N and QX004N, and CDMO services, and (iii) a revenue of RMB2.1 million generated from QX001S supply. Due to the growing scale of CDMO services business, the Group have recognized such income as revenue in 2024 instead of as other income in 2023. Our income generated from CDMO services increased by RMB11.7 million from RMB12.1 million in 2023 to RMB23.8 million in 2024. The provision of CDMO services is to utilize the surplus capacity of our manufacturing facility and is not positioned to be our main operating business.

***Cost of Sales***

Our Group's cost of sales amounted to RMB66.6 million for the year ended December 31, 2024, which mainly consists of (i) the cost incurred corresponding to the provision of research and development service for QX004N and QX008N and (ii) the cost incurred corresponding to our CDMO services. The Group have recognized the cost incurred corresponding to our CDMO services as cost of sales to align with the reclassification of our income in 2024 as mentioned above.

***Other Income***

Our other income increased by 15.63% from RMB24.9 million in 2023 to RMB28.8 million in 2024. This increase was primarily attributable to an increase of government grants by RMB3.1 million and an increase of interest income by RMB3.3 million, partially offset by a decrease of RMB1.5 million in net realized and unrealized gains on financial assets measured at FVTPL.

***Other Net Gain***

We recorded other net gain of RMB3.7 million in 2024, primarily attributable to a foreign exchange gain of RMB3.9 million as a result of an inflation of HKD and USD against RMB.

***Administrative Expenses***

Our administrative expenses decreased from RMB164.6 million in 2023 to RMB115.9 million in 2024, primarily attributable to a decrease of equity-settled share-based payment expenses by RMB40.4 million.

***Research and Development Expenses***

Our research and development expenses decreased by 8.3% from RMB364.4 million in 2023 to RMB334.3 million in 2024, primarily attributable to (i) RMB26.3 million of the clinical cost of QX004N and QX008N reclassified as cost of sales under the License-Out Agreement with Hansoh (Shanghai) and Joincare; and (ii) equity – settled share-based payment expenses decreased by RMB15.5 million. The above decrease of expenses was partially offset by an increase of RMB19.1 million in third party contracting costs.

***Finance Costs***

Our finance costs increased by 39.3% from RMB16.8 million in 2023 to RMB23.4 million in 2024, primarily attributable to an increase in bank borrowings to meet our operational needs.

***Non-IFRSs Measures[(1)]:***

| | **2024** | 2023 | Changes | Year-on-year changes |
|---|---|---|---|---|
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *%* |
| Loss for the year | **(349,687)** | (521,260) | 171,573 | (33%) |
| *Add:* | | | | |
| Equity-settled share-based payment expenses | **75,460** | 131,297 | (55,837) | (43%) |
| Adjusted loss for the year | **(274,227)** | (389,963) | 115,736 | (30%) |

(1) Adjusted loss for the year represents the loss for the year excluding the effect of certain non-cash items, namely the share-based compensation expenses. The term adjusted loss for the year is not defined under IFRSs. The use of this non-IFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRSs. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRSs measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable.

**Analysis of our Key Items of our Financial Position**

***Net Current Assets***

| | **December 31, 2024** ***RMB'000*** | December 31, 2023 *RMB'000* |
|---|---|---|
| Total current assets | **616,725** | 418,329 |
| Total non-current assets | **367,152** | 377,254 |
| **Total assets** | **983,877** | 795,583 |
| Total current liabilities | **430,161** | 251,776 |
| Total non-current liabilities | **332,666** | 242,857 |
| **Total liabilities** | **762,827** | 494,633 |
| **Net current assets** | **186,564** | 166,553 |

*1. Net Current Assets*

The increase in our net current assets from RMB166.6 million as of December 31, 2023 to RMB186.6 million as of December 31, 2024 was as a result of receiving of the IPO proceeds of RMB196.5 million, upfront fee and milestone payment from the licensing-out deals of QX005N, QX008N and QX004N of RMB162.0 million and cash inflow from bank borrowings, partially offset by operating expenditure for current period.

*2. Total Non-current Liabilities*

Our total non-current liabilities increased by 37.0% from RMB242.9 million as of December 31, 2023 to RMB332.7 million as of December 31, 2024, primarily attributable to the increase of 2-3 years term bank borrowings.

*3. Liquidity and Capital Resources*

We mainly relied on capital contributions by our shareholders, equity financing, and upfront and milestone payment from our licensing-out deals as the major sources of liquidity as well as bank and other borrowings. As part of our treasury policy, our management monitors and maintains a level of cash and bank balances deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate more cash from profit sharing and product supply of QX001S as well as debt financing, milestone fee income from licensing-out deals with QX008N and QX004N, and cost sharing from joint development of QX005N with Zhongmei Huadong.

We have optimized our bank loan structure. As of December 31, 2024, the balance of 2-3 years term working capital loan amounted to RMB114.9 million (2023: RMB50.0 million).

As of December 31, 2024, the unutilized credit facility for working capital use available to us amounted to RMB161.7 million.

**Analysis of our Key Items of Cash flow Statement**

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Net cash used in operating activities** | **(186,087)** | (300,682) |
| **Net cash (used in)/ generated from investing activities** | **(25,225)** | 243,110 |
| **Net cash generated from financing activities** | **351,811** | 61,208 |
| **Net increase in cash and cash equivalents** | **140,499** | 3,636 |

For the year ended December 31, 2024, our net cash used in operating activities decreased by RMB114.6 million to RMB186.1 million from RMB300.7 million for the year ended December 31, 2023. The decrease was a result of receiving of (i) cash of RMB117.0 million license fee income from the licensing-out deals of QX008N and QX004N and revenue generated from the provision of research and development services for the licensing-out deals of QX008N and QX004N; and (ii) a milestone payment of RMB45.0 million from Zhongmei Huadong under the Cooperation Agreement.

For the year ended December 31, 2024, our net cash used in investing activities amounted to RMB25.2 million, while net cash generated from investing activities amounted to RMB243.1 million for the year ended December 31, 2023. The decrease was primarily attributable to the increase in wealth management investment in bank products in 2024.

For the year ended December 31, 2024, our net cash generated from financing activities increased by RMB290.6 million to RMB351.8 million from RMB61.2 million for the year ended December 31, 2023. The increase was a result of receiving of the IPO proceeds of RMB196.5 million and increase in bank borrowings.

***Indebtedness***

We had interest-bearing bank borrowings of approximately RMB344.1 million and RMB525.7 million as of December 31, 2023 and 2024, respectively, which primarily consist of a secured bank loan used to support the construction of our manufacturing facility and unsecured bank loans to support our operation. The total amount of loans with a fixed interest rate was RMB200.0 million as of December 31, 2024 (2023: RMB59.6 million). The fixed interest rate ranged from 3.0% to 3.8% per annum as of December 31, 2024 (2023: 3.3-4.2% per annum). We believe that we do not have any material difficulties in obtaining additional credit facilities. For example, subsequent to the Reporting Period, we have obtained additional new credit facilities of RMB30.0 million as of the Latest Practicable Date.

**Key Financial Ratios**

The following table sets forth the key financial ratios for the dates indicated:

| | **As of December 31, 2024** | As of December 31, 2023 |
|---|---|---|
| Current Ratio[1] | **1.4** | 1.7 |
| Gearing Ratio[2] | **74.7%** | 42.5% |

[1] Current ratio is calculated using current assets divided by current liabilities as of the same date.

[2] Gearing ratio is calculated using interest-bearing bank borrowings less cash and bank balances, divided by total equity and multiplied by 100%.

***1. Current Ratio***

Our current ratio decreased from 1.7 as of December 31, 2023 to 1.4 as of December 31, 2024, mainly attribute to the growth of current liabilities in line with advancement of phase III clinical trial of QX002N and QX005N.

***2. Gearing Ratio***

Our gearing ratio increased from 42.5% as of December 31, 2023 to 74.7% as of December 31, 2024, mainly attribute to increase in our borrowings.

**Charges on Assets**

The Group's land use right and manufacturing facilities in Taizhou have been pledged as collateral in July 2024 under the 2024 Secured Long-Term Loan.

**MARKET RISKS**

The Group is exposed to various types of market risks and other financial risks, including cash flow and fair value interest rate risk, credit risk, liquidity risk and currency risk.

**Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to our Group. Our credit risk is primarily attributable to trade and other receivables. Our exposure to credit risk arising from cash and cash equivalents and wealth management products is limited because the counterparties are reputable banks or financial institution, for which we consider to have low credit risks.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As at December 31, 2024, approximately 99.5% of the total trade receivables were due from our five largest debtors. The Group will review and monitor the level of exposure to ensure that follow up actions are taken to recover overdue debts. In addition, at the end of each reporting year, the Group performs impairment assessment under expected credit loss model so as to ensure that adequate impairment losses are made. The carrying amounts of trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

**Liquidity Risk**

Individual operating entities within our Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by our Shareholders when the borrowings exceed certain predetermined levels of authority. Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and readily realizable securities and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and long term.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates expose our Group to cash flow interest rate risk and fair value interest rate risk respectively. We regularly review our strategy on interest rate risk management in light of the prevailing market condition. The Group had not used any interest rate swaps to hedge its exposure to interest rate risk for the year ended December 31, 2024.

**Foreign Currency Risk**

We are exposed to currency risk primarily through deposits with bank which give rises to cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies primarily relevant to this risk are the Hong Kong dollars and U.S. dollars. The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currency.

**CAPITAL STRUCTURE**

The shares of our Company were listed on Main Board of the Stock Exchange on the Listing Date. Save as disclosed in this announcement, there has been no material change in the capital structure of our Company since that date.

## SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS

In order to effectively utilize the Group's idle funds and generate better returns, during the Reporting Period, the Group subscribed for and held various wealth management products (primarily principal-protected floating return wealth management products) managed by local branches of national commercial banks or regional commercial banks in Jiangsu province. We believe that investment in low-risk financial products, such as wealth management products, helps us make better use of our cash while ensuring sufficient cash flow for business operations or capital expenditures. Considering that these wealth management products are short-term and principal-protected, we believe our credit risk exposure is limited.

As of December 31, 2024, the Group held two wealth management products with the value exceeding 5% of the Group's total assets, details of which are as follows:

| Product name | Confirmation date of subscription | Maturity date | Principal amount of subscription | Expected rate of return of the product (per annum) | Product type | Risk level of the product |
|---|---|---|---|---|---|---|
| Liduoduo Corporate Stable Profit 24JG7222 (Three Level Bullish) RMB Public Structured Deposit*(利多多公司穩利24JG7222期(三層看漲)人民幣對公結構性存款) | November 25, 2024 | February 25, 2025 | RMB60 million | The product has a guaranteed yield of 0.85% and a floating yield of 0% or 0.90% (mid-range floating yield) or 1.10% (high-range floating yield) | Principal-guaranteed floating-yield type | Low risk (internal risk assessment results of PDB, for reference only) |
| Liduoduo Corporate Stable Profit 24JG3569 (Three-Month Early Bird) RMB Public Structured Deposit*(利多多公司穩利24JG3569期(3個月早鳥款)人民幣對公結構性存款) | November 25, 2024 | February 25, 2025 | RMB100 million | The product has a guaranteed yield of 0.85% and a floating yield of 0% or 1.15% (mid-range floating yield) or 1.35% (high-range floating yield) | Principal-guaranteed floating-yield type | Low risk (internal risk assessment results of PDB, for reference only) |

For further details about the above subscriptions, please refer to the announcement of the Company dated November 22, 2024.

Our investment strategy is relatively prudent. We have implemented a series of treasury policies and internal control policies and rules setting forth overall principles, focusing on the appreciation of capital and supporting our liquidity needs in a manner that is consistent with our overall financial goals and risk considerations. Prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, R&D and capital expenditures after purchasing such wealth management products. We adopt a prudent approach in selecting financial products. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as duration of the investment and the expected returns. We generally limit our investments to wealth management products described as having low level risks and offered by major and reputable commercial banks, and we do not permit investment in stock for trading or speculative purposes. In addition, all investments in wealth management products should comply with applicable laws and regulations. Under our investment policy, our finance department personnel should prepare wealth management products purchase plan, based on anticipated expenditures, operational expenses, our cash and bank balances and information of the relevant wealth management products, for the head of finance department and general manager to review.

Save as disclosed above, our Company had no other significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2024.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "USE OF PROCEEDS FROM THE GLOBAL OFFERING" of this announcement, the Group did not have plan for material investments and capital assets as of the date of this announcement.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended December 31, 2024.

## OTHER INFORMATION

## PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S SHARES OR SALE OF TREASURY SHARES

Since the Listing Date and as of the date of this announcement, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares) (as defined in the Listing Rules) of our Company.

As of December 31, 2024, the Company did not hold any treasury shares (as defined in the Listing Rules).

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of our Company by the Directors and Supervisors.

Specific enquiry has been made of all the Directors and Supervisors, all the Directors and Supervisors have confirmed that they have complied with the Model Code since the Listing Date and up to the date of this announcement. No incident of non-compliance by the Directors and Supervisors was noted by our Company during the Reporting Period.

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for our Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability.

Save as disclosed below, our Company has adopted the principles and Code Provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis for the corporate governance practices of the Company since the Listing Date and up to the date of this announcement. During the Reporting Period, the Company has complied with all applicable Code Provisions of the CG Code save and except for the following deviation:

Under the Code Provision C.2.1 of of Part 2 of the CG Code, the roles of chairman and chief executive shall be separate and shall not be performed by the same individual. The Chairman and General Manager (equivalent to chief executive officer) of our Company are held by Mr. Qiu who is the founder of our Company and has extensive experience in the industry. Having served in our Company as the general manager since the very early stage of our Company, Mr. Qiu is in charge of overall management, R&D and business strategy of our Company. Despite the fact that the roles of our chairman of the Board and our general manager are both performed by Mr. Qiu which constitutes a deviation from Code Provision C.2.1 of the CG Code, the Board considers that vesting the roles of both chairman of the Board and general manager all in Mr. Qiu has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of our Company. The balance of power and authority is ensured by the operation of our Board, which comprises experienced and diverse individuals. The Board currently comprises two non-executive Directors and three independent non-executive Directors as compared to three executive Directors. Therefore, the Board possesses a strong independent element in its composition. The Board will continue to review and monitor the practices of our Company with an aim of maintaining a high standard of corporate governance.

Our Company is committed to enhancing its corporate governance practices used to regulate conduct and promote growth of its business and to reviewing such practices from time to time to ensure that we comply with the CG Code and align with the latest developments of our Company.

## FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended December 31, 2024.

## EVENTS AFTER THE REPORTING PERIOD

1. On February 11, 2025, 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. Please refer to the announcement dated February 12, 2025 for details.

2. In February 2025, Phase III clinical trial of QX002N injection independently developed by the Company for treatment of AS reached its primary endpoint. The data showed that QX002N exhibited excellent efficacy as well as good safety and tolerance in patients with moderate-to-severe active ankylosing spondylitis. The trial is a multi-centre, randomised, double-blind, placebo-controlled phase III clinical study led by Professor Zeng Xiaofeng of Peking Union Medical College Hospital to evaluate the efficacy and safety of QX002N injection in patients with active ankylosing spondylitis, and the initial analysis has been completed. A total of 641 subjects with moderate-to-severe active ankylosing spondylitis were enrolled in the study, including 322 in the QX002N group and 319 in the placebo group. Please refer to the announcement dated February 24, 2025 for details.

3. On March 3, 2025, Zhongmei Huadong received the notice of approval of supplemental application for QX001S (Ustekinumab Injection) for use in pediatric plaque psoriasis from the NMPA. Please refer to the announcement dated March 3, 2025 for details.

4. On March 7, 2025, upon the mature of previous subscriptions from PDB, in order to effectively utilize its idle funds, the Company entered into two subscription agreements with PDB to subscribe for two wealth management products offered by PDB. The Company agreed to subscribe for wealth management products offered by PDB with (i) a principal amount of RMB60 million and a maturity date of June 10, 2025; and (ii) a principal amount of RMB80 million and a maturity date of June 10, 2025. Please refer to the announcement dated March 7, 2025 for details.

5. On March 19, 2025, a total of 409 subjects were enrolled and subject enrollment for the Phase III clinical trial of QX005N for the treatment of prurigo nodularis was completed. Please refer to the announcement of our Company dated March 20, 2025 for further information.

6. The Company completed the conversion of 17,322,400 Unlisted Shares into H Shares and the listing thereof on March 27, 2025 (the "**Conversion and Listing**"). The Company received the Notice of the Full Circulation Registration of the Domestic Unlisted Shares of Qyuns Therapeutics Co., Ltd.* (關於江蘇荃信生物醫藥股份有限公司境內未上市股份"全流通"備案通知書) from the China Securities Regulatory Commission on January 20, 2025 and the listing approval from the Stock Exchange on March 13, 2025 in respect of the Conversion and Listing. The listing of the converted H Shares on the Stock Exchange has commenced at 9:00 a.m. on March 28, 2025 as scheduled. For details, please refer to the announcements of the Company dated October 28, 2024, January 21, 2025, March 13, 2025 and March 27, 2025.

Save as disclosed in this annual results announcement, we are not aware of any material subsequent events from the end of the Reporting Period to the date of this annual results announcement.

## SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 28, 2024. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Group has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises three members, namely Mr. Fung Che Wai, Anthony, Mr. Wu Zhiqiang and Dr. Ling Jianqun, with Mr. Fung Che Wai, Anthony being the chairman of the Audit Committee.

The Audit Committee had reviewed together with the management the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements and annual results of the Group for the year ended December 31, 2024.

## CHANGE OF ADDRESS OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company's principal place of business in Hong Kong has been changed to Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong with effect from January 10, 2025.

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of our Company were listed on the Main Board of the Stock Exchange on March 20, 2024. The net proceeds received from the Global Offering, after deducting the underwriting fees and commissions and expenses payable by our Company in connection with the Global Offering, amounted to approximately HK$163.3 million. As of the Latest Practicable Date, our Company did not change its plan on the use of proceeds as stated in the Prospectus and had utilize HK$36.3 million of the proceeds from the Global Offering. Our Company intends to use the net proceeds in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

The breakdown of our expected uses of proceeds from the Global Offering and expected timeline for unutilized amount is as follows:

| | Net proceeds used for related purposes *(HK$'000,000)* | Percentage of total net proceeds *(%)* | Actual utilized amount proceeds as of December 31, 2024 *(HK$'000,000)* | Unutilized amount of proceeds as of December 31, 2024 *(HK$'000,000)* | Expected timeline for unutilized amount |
|---|---|---|---|---|---|
| (i) Development and registration of our Core Products | 138.3 | 84.7% | 33.4 | 104.9 | By the end of 2025 |
| (ii) Development and registration of our other Key Drug Candidates | 25.0 | 15.3% | 2.9 | 22.1 | By the end of 2025 |

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as it is deemed to be in the best interests of our Company, we may hold such funds in short-term deposits with licensed banks or authorized financial institutions in Hong Kong. We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (www.qyuns.net). The annual report of the Group for the year ended December 31, 2024 containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company, in accordance with the Listing Rules in due course.

## CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the Shareholders to attend and vote at the annual general meeting ("**AGM**") to be held on Friday, June 20, 2025, the register of members will be closed from Friday, June 6, 2025 to Friday, June 20, 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong H Share Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, June 5, 2025.

## PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Board proposes to seek approval from the Shareholders at the AGM for amendments to the existing articles of association of the Company (the "**Articles**"). On December 29, 2023, the Standing Committee of the National People's Congress issued the latest version of the PRC Company Law (《中華人民共和國公司法》) (the "**New PRC Company Law**"). The New PRC Company Law has come into effect on July 1, 2024. In view of the above, the Board proposed to make certain amendments to the Articles in order to reflect the changes in the New PRC Company Law and make other housekeeping changes (the "**Proposed Amendments**"). The Company will seek approval from the Shareholders at the AGM for the adoption of the amended and restated articles of association of the Company incorporating the Proposed Amendments.

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 AGM. A circular containing, among other things, particulars relating to Proposed Amendments together with a notice convening the AGM will be despatched to the Shareholders according to the applicable law, the Articles and the Listing Rules.

## CHANGE IN COMPOSITION OF THE STRATEGY AND DEVELOPMENT COMMITTEE

The Board is pleased to announce that with effect from March 28, 2025, Dr. Zou Zhongmei, an independent non-executive Director, was appointed as a member of the Strategy and Development Committee.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended December 31, 2024*

| | Note | **2024** | 2023 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| **Revenue** | *5* | **158,793** | – |
| Cost of sales | | **(66,600)** | – |
| **Gross profit** | | **92,193** | – |
| Other income | *6* | **28,816** | 24,921 |
| Other net gain/(loss) | | **3,747** | (435) |
| Distribution and selling expenses | | **(926)** | – |
| Administrative expenses | | **(115,925)** | (164,594) |
| Research and development expenses | | **(334,277)** | (364,404) |
| **Loss from operations** | | **(326,372)** | (504,512) |
| Finance costs | *7(a)* | **(23,388)** | (16,821) |
| **Loss before taxation** | *7* | **(349,760)** | (521,333) |
| Income tax | *8* | **73** | 73 |
| **Loss for the year** | | **(349,687)** | (521,260) |
| **Attributable to:** | | | |
| Equity shareholders of the Company | | **(335,574)** | (507,748) |
| Non-controlling interests | | **(14,113)** | (13,512) |
| **Loss for the year** | | **(349,687)** | (521,260) |
| Other comprehensive income for the year, net of tax | | **–** | – |
| **Total comprehensive income for the year, net of tax** | | **(349,687)** | (521,260) |
| **Attributable to:** | | | |
| Equity shareholders of the Company | | **(335,574)** | (507,748) |
| Non-controlling interests | | **(14,113)** | (13,512) |
| **Total comprehensive income for the year** | | **(349,687)** | (521,260) |
| **Loss per share** | | | |
| Basic and diluted (RMB) | *9* | **(1.53)** | (2.47) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At December 31, 2024*

| | Note | **December 31, 2024** | December 31, 2023 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| **Non-current assets** | | | |
| Property, plant and equipment | | **312,315** | 339,106 |
| Right-of-use assets | | **21,743** | 22,329 |
| Intangible assets | | **3,473** | 2,347 |
| Other non-current assets | | **29,621** | 13,472 |
| | | **367,152** | 377,254 |
| **Current assets** | | | |
| Inventories and other contract costs | *10* | **8,774** | 4,937 |
| Trade and other receivables | *11* | **51,824** | 26,468 |
| Other current assets | | **–** | 10,210 |
| Financial assets at fair value through profit or loss ("**FVPL**") | | **195,439** | 160,414 |
| Cash and cash equivalents | | **360,688** | 216,300 |
| | | **616,725** | 418,329 |
| **Current liabilities** | | | |
| Trade and other payables | *12* | **208,794** | 129,914 |
| Contract liabilities | | **9,364** | 870 |
| Interest-bearing borrowings | *13* | **210,582** | 119,702 |
| Lease liabilities | | **1,421** | 1,290 |
| | | **430,161** | 251,776 |
| **Net current assets** | | **186,564** | 166,553 |
| **Total assets less current liabilities** | | **553,716** | 543,807 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| | Note | **December 31, 2024** ***RMB'000*** | December 31, 2023 *RMB'000* |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Non-current interest-bearing borrowings | *13* | **315,120** | 224,433 |
| Deferred income | | **16,734** | 17,377 |
| Lease liabilities | | **472** | 634 |
| Deferred tax liabilities | | **340** | 413 |
| | | **332,666** | 242,857 |
| **NET ASSETS** | | **221,050** | 300,950 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | | **222,072** | 210,025 |
| Reserves | | **6,905** | 84,739 |
| **Total equity attributable to equity shareholders of the Company** | | **228,977** | 294,764 |
| **Non-controlling interests** | | **(7,927)** | 6,186 |
| **TOTAL EQUITY** | | **221,050** | 300,950 |

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

*For the year ended December 31, 2024*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Net cash used in operating activities** | **(186,087)** | (300,682) |
| **Net cash (used in)/ generated from investing activities** | **(25,225)** | 243,110 |
| **Net cash generated from financing activities** | **351,811** | 61,208 |
| **Net increase in cash and cash equivalents** | **140,499** | 3,636 |
| **Cash and cash equivalents at the beginning of the year** | **216,300** | 213,090 |
| **Effect of foreign exchange rate changes** | **3,889** | (426) |
| **Cash and cash equivalents at the end of the year** | **360,688** | 216,300 |

## NOTES TO THE FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

Qyuns Therapeutics Co., Ltd. (the "**Company**")(江蘇荃信生物醫藥股份有限公司), formerly known as Qyuns Therapeutics Co., Ltd.(江蘇荃信生物醫藥有限公司) was established in Taizhou, Jiangsu Province, People's Republic of China (the "**PRC**") on June 16, 2015 as a company with limited liability. Upon approval by the Company's board meeting held on September 2, 2021, the Company was converted from a company with limited liability into a joint stock company with limited liability. The Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on March 20, 2024.

The Company and its subsidiaries (together, "**the Group**") are principally engaged in research and development of biologic therapies for autoimmune and allergic diseases, manufacturing and sales of pharmaceutical products.

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### 3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2024 comprise the Company and its subsidiaries (together referred to as the "**Group**").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the assets are stated at their fair value as explained in the accounting policies.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 4 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new and amended IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("**2020 amendments**")*
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("**2022 amendments**")*
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures: Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 5 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The Group is principally engaged in the research and development of biologic therapies for autoimmune and allergic diseases, manufacturing and sales of pharmaceutical products. During the year ended December 31, 2024, the Group's revenue was mainly derived from license agreements by granting licenses of certain intellectual properties to customers, providing research and development services in relation to certain licensed products to the customers, etc.

***(i) Disaggregation of revenue***

Disaggregation of revenue from contracts with customers by major service lines and the timing of revenue recognition is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers within the scope of IFRS 15** | | |
| Revenue from license agreements | **100,943** | – |
| Revenue from provision of research and development service and other services | **55,708** | – |
| Sales of pharmaceutical products | **2,142** | – |
| | **158,793** | – |
| Disaggregated by timing of revenue recognition | | |
| – Point in time | **126,846** | – |
| – Over time | **31,947** | – |
| | **158,793** | – |

Revenue from each major customer which accounted for 10% or more of the Group's revenue is set out below:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Customer A | **100,880** | – |
| Customer B | **32,061** | – |
| Customer C | **17,285** | – |

***(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date***

As of December 31, 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB8,218,000 (2023: Nil), which is expected to occur over the next 12 to 72 months (2023: Nil).

The above amount does not include any amounts of milestone payments that the Group may earn in the future by meeting the conditions set out in the Group's existing contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

The Group has also applied the practical expedient in paragraph 121 (a) of IFRS 15 to its sales contracts for pharmaceutical products and research and development service such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of pharmaceutical products and research and development service that had an original expected duration of one year or less.

**(b) Segment and geographical information**

For the purpose of making decisions about resources allocation and performance assessment, the Group's management focuses on the operating results of the Group as a whole. As such, the Group's resources are integrated, and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

The following table sets out information about the geographical location of the Group's revenue from external customers.

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| The People's Republic of China (the "**PRC**") | **158,793** | – |

## 6 OTHER INCOME

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Government grants (including amortisation of deferred income) (i) | **16,712** | 13,596 |
| Interest income from bank deposits | **7,780** | 4,466 |
| Net realised and unrealised gains on financial assets measured at FVPL | **4,236** | 5,704 |
| Others | **88** | 1,155 |
| | **28,816** | 24,921 |

(i) Government grants mainly represent (i) government subsidies for encouragement of research and development activities and compensation on the incurred interest expenses of bank loans, which were recognised in profit or loss when received; (ii) government subsidies for compensation on certain capital expenditure incurred for the construction of manufacturing facilities, which were amortised in profit or loss over the estimated useful lives of the relevant assets.

## 7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

**(a) Finance costs**

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on lease liabilities | **59** | 65 |
| Interest on interest-bearing borrowings | **23,329** | 16,756 |
| Total finance costs on financial liabilities not at FVPL | **23,388** | 16,821 |

**(b) Staff costs**

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Salaries, wages and other benefits | **86,131** | 84,078 |
| Contributions to defined contribution retirement schemes (i) | **7,205** | 7,026 |
| Equity-settled share-based payment expenses | **75,460** | 131,297 |
| | **168,796** | 222,401 |

(i) Pursuant to the relevant labor rules and regulations in the PRC, the Company and its subsidiaries in the PRC to participate in defined contribution retirement benefit schemes (the "**Schemes**") organised by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

**(c) Other items**

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Amortisation cost of intangible assets | **1,048** | 705 |
| Depreciation charge of property, plant and equipment | **29,416** | 29,422 |
| Depreciation charge of right-of-use assets | **2,207** | 2,158 |
| Total amortisation and depreciation | **32,671** | 32,285 |
| Auditors' remuneration | **2,127** | 2,457 |
| Listing expenses | **5,952** | 22,258 |
| Research and development expenses (i) | **334,277** | 364,404 |
| Cost of inventories (ii) | **3,752** | 4,514 |

(i) During the year ended December 31, 2024, research and development expenses include staff costs and depreciation and amortisation expenses of RMB83,112,000 (2023: RMB116,840,000), which are also included in the respective total amounts disclosed separately above.

(ii) During the year ended December 31, 2024, cost of inventories includes staff costs and depreciation expenses of RMB2,158,000 (2023: Nil), which amounts are also included in the respective total amounts disclosed separately above.

## 8 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss represents:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Current tax – PRC Tax | **–** | – |
| Deferred tax | **(73)** | (73) |
| | **(73)** | (73) |

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss before taxation | **(349,760)** | (521,333) |
| Notional tax on loss before taxation, calculated at the rates applicable to profits in the PRC (i) | **(87,440)** | (130,334) |
| Effect of preferential tax rate (ii) | **–** | 45,941 |
| Effect of additional deduction on research and development expenses (iii) | **(70,078)** | (40,002) |
| Tax effect of other non-deductible expenses | **1,783** | 839 |
| Tax effect of deductible temporary differences not recognised | **18,991** | 27,754 |
| Tax effect of unused tax losses not recognised | **136,671** | 95,729 |
| Actual tax expense | **(73)** | (73) |

(i) Pursuant to the Enterprise Income Tax (the "**EIT**") Law of the PRC (the "**EIT Law**"), the Company and its PRC subsidiaries are liable to EIT at a rate of 25% unless otherwise specified.

(ii) According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32) issued by Ministry of Finance of the People's Republic of China, Ministry of Science and Technology of the People's Republic of China and National Taxation Bureau of the People's Republic of China, the Company obtained the qualification as high-tech enterprise and was entitled to a preferential income tax rate of 15% for the years from 2021 to 2023.

(iii) Under the EIT Law of the PRC and its relevant regulation, an additional 100% of qualified research and development expenses incurred would be allowed to be deducted from the taxable income for the year ended December 31, 2024.

## 9 LOSS PER SHARE

The calculation of basic loss per share for the year ended December 31, 2024 is based on the loss attributable to ordinary equity shareholders of the Company of RMB335,574,000 (2023: RMB507,748,000) and the weighted average of 219,439,000 ordinary shares (2023: RMB205,668,000) in issue during the year, calculated as follows:

| **Weighted average number of ordinary shares** | **2024** | 2023 |
|---|---|---|
| | ***'000*** | *'000* |
| Ordinary shares at 1 January in issue | **210,025** | 180,525 |
| Effect of share options exercised and restricted shares vested | **–** | 25,143 |
| Issuance of H shares through initial public offering | **9,414** | – |
| Weighted average number of ordinary shares at the end of the year | **219,439** | 205,668 |

Share options and restricted shares granted by the Company were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2023 and 2024 were the same as basic loss per share of the respective years.

## 10 INVENTORIES AND OTHER CONTRACT COSTS

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Inventories** | | |
| Raw material | **1,398** | – |
| Work in progress | **1,938** | 3,774 |
| **Other contract costs** | | |
| Costs to fulfil contracts | **5,438** | 1,163 |
| | **8,774** | 4,937 |

## 11 TRADE AND OTHER RECEIVABLES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **26,281** | – |
| Prepaid expenses | **24,520** | 23,029 |
| Listing expenses | **–** | 2,534 |
| Deposits | **424** | 541 |
| Interest receivables | **491** | 40 |
| Other debtors | **108** | 324 |
| | **51,824** | 26,468 |

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

**Aging analysis**

As of the end of the reporting period, the aging analysis of trade debtors based on the invoice date and net of loss allowance, is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 6 months | **26,281** | – |
| Over 6 months | **–** | – |
| | **26,281** | – |

Trade receivables are generally due within 60 to 180 days from the date of billing.

## 12 TRADE AND OTHER PAYABLES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade payables (i) | **110,885** | 72,958 |
| Payroll payables | **33,373** | 31,007 |
| Payables for purchases of property, plant and equipment | **6,758** | 5,016 |
| Accrued listing expenses | **3,290** | 15,333 |
| Other payables and accruals (ii) | **54,488** | 5,600 |
| | **208,794** | 129,914 |

(i) As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 12 months | **110,885** | 72,958 |

All of the above balances classified as current liabilities are expected to be settled within one year.

(ii) In July 2024, the Company entered into a cooperation agreement (the "**QX005N Agreement**") with Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.*(杭州中美華東製藥有限公司) ("**Zhongmei Huadong**"), one of the shareholders of the Company, with respect to the joint development and commercialisation of the product QX005N. Pursuant to which, the Company has granted to Zhongmei Huadong, in the authorised territory and in the authorised fields, (i) an exclusive right to jointly develop QX005N; (ii) an exclusive optional right to promote QX005N (the "**Optional Right**"); and (iii) a right of first refusal for the transfer of marketing authorization holder ("**MAH**") of QX005N. In the event that Zhongmei Huadong chooses not to exercise the Optional Right, the Company shall return the payment received in full to Zhongmei Huadong, and shall pay Zhongmei Huadong an interest of 5% per annum on the entire amount received.

Pursuant to the QX005N Agreement, Zhongmei Huadong has paid a milestone payment of RMB45.0 million to the Company and incurred RMB11.4 million clinical development fees for QX005N in 2024, which was recognised as financial liabilities of the Company as of December 31, 2024.

## 13 INTEREST-BEARING BORROWINGS

(a) The analysis of the carrying amount of interest-bearing borrowings is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Unsecured short-term bank loans (i) | **179,483** | 59,600 |
| Current proportion of unsecured long-term bank loans (i) | **3,291** | 625 |
| Current proportion of secured long-term bank loans (ii) | **27,808** | 59,477 |
| Within 1 year or on demand | **210,582** | 119,702 |
| Unsecured long-term bank loans (i) | **111,700** | 49,375 |
| Secured long-term bank loans (ii) | **203,420** | 175,058 |
| Non-current | **315,120** | 224,433 |
| | **525,702** | 344,135 |

(i) As of December 31, 2024, the unsecured short-term bank loans and unsecured long-term bank loans represent the utilised banking facilities for the daily operations, which bear interest rate from 3.0% to 3.8% (2023: 3.3% to 4.2%).

(ii) Cellularforce, a subsidiary of the Company, obtained a secured long-term bank loan of RMB300 million in 2020 from a bank consortium ("2020 Secured Long-Term Loan") to support the construction of its manufacturing facilities. The loan was secured by Cellularforce's land use right and its manufacturing facilities in Taizhou and guaranteed by the Company.

In June 2024, Cellularforce entered into a new loan arrangement with two commercial banks in the PRC ("**2024 Secured Long-Term Loan**") to replace the aforementioned 2020 Secured Long-Term Loan. The collaterals under 2020 Secured Long-Term Loan also have been transferred to 2024 Secured Long-Term Loan in July 2024.

As of December 31, 2024, Cellularforce has drawn down RMB240,000,000 under 2024 Secured Long-Term Loan and repaid RMB240,000,000 of 2020 Secured Long-Term Loan. The 2020 Secured Long-Term Loan bore interest rates from to 4.3% to 4.6% (2023: 4.5% to 4.6%), while the 2024 Secured Long-Term Loan bare interest rates of 3.9%.

(b) The analysis of the repayment schedule of bank loans is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 1 year or on demand | **210,582** | 120,225 |
| After 1 year but within 2 years | **123,630** | 84,625 |
| After 2 years but within 5 years | **152,660** | 144,750 |
| After 5 years | **38,830** | – |
| | **315,120** | 229,375 |
| | **525,702** | 349,600 |

## 14 DIVIDENDS

No dividends were paid or declared by the Company or any of its subsidiaries during the year ended December 31, 2024 (2023: nil).

| | |
|---|---|
| "ankylosing spondylitis" or "AS" | a chronic progressive inflammatory disease that is primarily characterized by inflammation of the spinal joints, leading to reduced flexibility of the joints and stiffness in the spine over time |
| "antibody" | a protein produced in response to and counteracting a specific antigen. Antibodies combine chemically with substances which the body recognizes as alien, such as bacteria, viruses and foreign substances in the blood |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "atopic dermatitis" or "AD" | an immune-mediated inflammatory skin disease that causes dry, itchy and inflamed skin |
| "Audit Committee" | the audit committee of our Board |
| "Authorized Territory" | including mainland China, Hong Kong, Macau and Taiwan |
| "autoimmune" | with respect to any disorder or disease, an abnormal immune response of the body against substances and tissues normally present in the body |
| "biologics" | drug products derived from a variety of natural sources-human, animal, or microorganism-that may be produced by biotechnology methods and other cutting-edge technologies (in contrast to small-molecule drugs, which are chemically synthesized). Biologics can be composed of sugars, proteins or nucleic acids or complex combinations of these substances, or may be living entities, such as cells and tissues |
| "biosimilar" | a follow-on version of innovator biopharmaceuticals which are separately developed after patents protecting the innovator biopharmaceuticals have expired and have similar quality, safety and efficacy as the innovator biopharmaceuticals |
| "BLA" | the Biologics License Application |
| "Board" or "Board of Directors" | the board of Directors |
| "CDMO" | a contract development and manufacturing organization, which provides support to the pharmaceutical industry by providing development and manufacturing services outsourced on a contract basis |
| "cell line" | a population of cells that descend from a single cell and contain the same genetic makeup, and can be propagated repeatedly |

| | |
|---|---|
| "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 66.00% by Saifu Juli and 34.00% by Taizhou Huacheng |
| "CG Code" or "Corporate Governance Code" | the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time |
| "China" or "PRC" | The People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references in this announcement to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan |
| "chronic obstructive pulmonary disease" or "COPD" | a chronic inflammatory lung disease that causes obstructed airflow from the lungs, symptoms including breathing difficulty, cough and mucus production |
| "chronic rhinosinusitis with nasal polyps" or "CRSwNP" | a subgroup of chronic rhinosinusitis characterized by the presence of fleshy swellings (nasal polyps) that develop in the lining of the nose and paranasal sinuses |
| "chronic spontaneous urticaria" or "CSU" | the occurrence of urticaria for six weeks or longer with identifiable specific triggers |
| "clinical trial" | a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs |
| "Code Provision(s)" | the principles and code provisions set out in the CG Code |
| "Company" | Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥股份有限公司) (formerly known as Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥有限公司)), a company established in the PRC with limited liability on June 16, 2015 which was converted into a joint stock company with limited liability on September 30, 2021 |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "connected transaction(s)" | has the meaning ascribed to it under the Listing Rules |
| "Controlling Shareholder(s)" | has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Mr. Qiu, Mr. Yu Guo'an, Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin; and a Controlling Shareholder shall mean each or any of them |

| | |
|---|---|
| "Cooperation Agreement" | the Cooperation Agreement dated July 19, 2024 entered into by the Company and Zhongmei Huadong for joint development and commercialization of QX005N |
| "Core Product(s)" | has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this announcement, our Core Products refers to QX002N and QX005N |
| "CRO" | a contract research organization, which provides support to the pharmaceutical industry by providing research and development services outsourced on a contract basis |
| "Crohn's disease" or "CD" | a chronic, incurable inflammatory bowel disease that affects the lining of the digestive tract and can sometimes cause life-threatening complications. CD symptoms can include abdominal pain, diarrhea, weight loss, anemia and fatigue |
| "cytokine" | proteins secreted by cells in both innate and adaptive immune responses, which can regulate diverse functions in the immune response |
| "Director(s)" | the director(s) of our Company |
| "Employee Share Incentive Scheme" | the restricted share scheme approved and adopted by our Company on September 15, 2022 |
| "endpoint" | with respect to a clinical study or trial, the outcome that is measured |
| "Global Offering" | the global offering of 12,046,400 H Shares as described in the Prospectus |
| "Group", "our Group", "the Group" or "we" | our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be) |
| "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 |
| "Hansoh" | Hansoh Pharmaceutical Group Company Limited (翰森製藥集團有限公司), a pharmaceutical company whose shares are listed on the Stock Exchange (stock code: 3692) |

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| "Hansoh (Shanghai)" | Hansoh (Shanghai) Healthtech Co., Ltd.* (翰森(上海)健康科技有限公司), a wholly-owned subsidiary of Hansoh |
| "Hong Kong" or "HK" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong dollar(s)" or "HK$" | Hong Kong dollar(s), the lawful currency of Hong Kong |
| "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) |
| "IgG" | human immunoglobulin G, the most common antibody type found in blood circulation that plays an important role in antibody-based immunity against invading pathogens |
| "IL" | interleukin, a type of cytokine-signaling molecule in the immune system to provoke an immune response in the body of a human and other animals |
| "immunoglobulin" or "Ig" | also known as antibody, a glycoprotein molecule produced by plasma cell (white blood cell) |
| "Independent Third Party(ies)" | individuals or company(ies), who or which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules |
| "inhibitor" | a substance added or applied to another substance to slow down a reaction or to prevent an unwanted chemical change |
| "lupus nephritis" or "LN" | a common complication of SLE, where the immune system mistakenly attacks the kidneys, leading to inflammation and possible organ damage |
| "Joincare" | Joincare Pharmaceutical Group Industry Co., Ltd.* (健康元藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600380) |
| "Latest Practicable Date" | March 17, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this announcement prior to its publication |
| "Listing" | the listing of our H Shares on the Main Board |
| "Listing Date" | March 20, 2024, on which dealings in our H Shares first commence on the Main Board |

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| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time |
| "Macau" | the Special Administrative Region of Macau of the PRC |
| "MAH" | the 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 the Growth Enterprise Market of the Stock Exchange |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time |
| "monoclonal antibody" or "mAb" | antibody generated by identical immune cells that are all clones of the same parent cell |
| "Mr. Qiu" | Mr. Qiu Jiwan (裘霽宛), our founder, executive Director, chairman of our Board, our general manager, and one of our Controlling Shareholders |
| "Phase I clinical trial" | study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion and, if possible, an early indication of its effectiveness. Phase I clinical trial can be further divided into the Phase Ia clinical trial, which is often a single ascending dose study, and the Phase Ib clinical trial, which is often a multiple ascending dose study |
| "Phase II clinical trial" | study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, preliminarily evaluate the efficacy of the product for specific targeted diseases and determine dosage tolerance and optimal dosage |
| "Phase III clinical trial" | study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval and to provide adequate information for the labeling of the product |
| "Prospectus" | the prospectus issued by our Company on March 12, 2024 in relation to our Global Offering and Listing |

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| "prurigo nodularis" or "PN" | a chronic skin disorder characterized by the presence of hard and extremely itchy bumps known as nodules, which tend to be found in easy-to-scratch areas, such as the arms, legs, the upper back and abdomen |
| "pruritus" | itchy skin, which is an uncomfortable, irritating sensation that makes the patient want to scratch |
| "psoriasis" or "Ps" | a skin disease associated with dysregulation of the immune systems that causes a rash with itchy and scaly patches, most commonly on the knees, elbows, trunk and scalp |
| "receptor" | a region of tissue, or a molecule in a cell membrane, which responds specifically to a particular signal, that is any of a neurotransmitter, hormone, antigen or other substance |
| "Renminbi" or "RMB" | the lawful currency of the PRC |
| "Reporting Period" | the year ended December 31, 2024 |
| "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, which is owned as to approximately 45.71% by Mr. Qiu as its general partner, 8.57% by Ms. Xu Qiu (許秋), the spouse of Mr. Qiu, as one of its limited partners, and 45.71% by three Independent Third Parties as its other limited partners |
| "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, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited |
| "subsidiary(ies)" | has the meaning ascribed to it under the Listing Rules |
| "Supervisor(s)" | the supervisor(s) of our Company |
| "systemic lupus erythematosus" or "SLE" | an autoimmune disease primarily characterized by widespread inflammation and tissue damage in various organs, such as the skin, brain, lungs, kidneys and blood vessels |

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| "TNF" | tumor necrosis factor, a group of cell signaling proteins (cytokines) that regulate immune cells and mediate the inflammatory responses |
| "TNF-α" | a prominent member of the TNF family and one of the cytokines that make up the acute phase reaction, a series of physiological process occurring soon after the onset of inflammatory processes |
| "TSLP" | thymic stromal lymphopoietin, a protein belonging to the cytokine family, which plays an important role in the maturation of T cell populations through activation of antigen presenting cells (APCs) |
| "ulcerative colitis" or "UC" | a chronic, inflammatory bowel disease that causes inflammation in the digestive tract |
| "urticaria" | a type of skin disease characterized by itchy swelling on the skin surface |
| "U.S." or "United States" | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| "U.S. dollar(s)" or "US$" | United States dollar(s), the lawful currency of the United States |
| "we," "us" or "our" | the Company or the Group, as the context requires |
| "Xinfu Quanxin" | Taizhou Xinfu Quanxin Enterprise Management Partnership (Limited Partnership)* (泰州信孚全心企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on February 27, 2023, which is owned as to approximately 0.56% by Mr. Wu Yiliang, our executive Director and executive deputy general manager of Cellularforce as its general partner and approximately 99.44% by 27 employees of our Group as its limited partners, and is one of our employee share incentive platforms |
| "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, which is owned as to approximately 9.04% by Mr. Qiu as its general partner, approximately 11.38% by Xinfu Quanxin as one of its limited partners and approximately 79.58% by 36 employees of our Group as its limited partners, and 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 one of our Pre-IPO Investors |

**ACRONYMS**

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| "CDE" | Center for Drug Evaluation (國家藥品監督管理局藥品審評中心), a division of the NMPA responsible for acceptance and technical review of applications for drug clinical trials and drug marketing authorization |
| "cGMP" | current good manufacturing practice, regulations and procedures that provide for proper design, monitoring, and control of manufacturing processes and facilities |
| "CMC" | the chemistry, manufacturing and controls processes in the development, licensure, manufacturing and ongoing marketing of pharmaceutical products |
| "FDA" | the United States Food and Drug Administration |
| "FPI" | First Patient In |
| "IASB" | International Accounting Standards Board |
| "IFRS" | the International Financial Reporting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB |
| "IND" | Investigational New Drug |
| "LPI" | Last Patient In |
| "NMPA" | the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局) |

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

Hong Kong, March 28, 2025

*As of the date of this announcement, the Board 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.*

* *For identification purposes only*