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## **DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED**

# **東瑞製葯(控股)有限公司\***

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

**(Stock Code: 2348)**

### **DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE**

On 2 February 2021, Dawnrays Biotech (a wholly-owned subsidiary of the Company) entered into the Loan Agreement with AD Pharmaceuticals, pursuant to which Dawnrays Biotech has agreed to provide an unsecured loan in a principal amount of RMB84,000,000 to AD Pharmaceuticals for a term of five (5) years.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to AD Pharmaceuticals is more than 5% but less than 25%, the loan granted under the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

### **PROVISION OF FINANCIAL ASSISTANCE**

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### **THE LOAN AGREEMENT**

Summarised below are the principal terms of the Loan Agreement:

Date : 2 February 2021

Lender : Dawnrays Biotech

Borrower	:	康融東方(廣東)醫藥有限公司 (AD Pharmaceuticals Co., Ltd.), a company incorporated in the PRC which is owned as to 65% and 35% by Akeso Biopharma and Dawnrays Biotech respectively
Principal amount of the Loan	:	RMB84,000,000
Date of drawdown	:	(i) RMB42,000,000 to be transferred to AD Pharmaceuticals before 15 April 2021; and  (ii) the remaining RMB42,000,000 shall be transferred to AD Pharmaceuticals before 15 May 2021
Interest Rate	:	3.5% per annum, payable in full at the end of the term of the Loan together with the repayment of the Loan
Term	:	Five (5) years from the date of each drawdown, and in any event, all outstanding principal of the Loan shall be repaid by AD Pharmaceuticals no later than 15 May 2026
Voluntary Prepayment	:	AD Pharmaceuticals may at any time prepay all or part of the Loan

The terms of the Loan Agreement were arrived at after arm's length negotiations amongst Dawnrays Biotech and AD Pharmaceuticals with reference to commercial practice, funding requirement of AD Pharmaceuticals and the costs of funds of the Group.

## **FUNDING OF THE LOAN**

The Group will finance the Loan by internal resources.

## **INFORMATION ON THE GROUP AND DAWNRAYS BIOTECH**

The Group is principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceutical, bulk medicines and finished drugs.

Dawnrays Biotech is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It is principally engaged in the investment and development of biotech projects, mainly targeting oncology and cardiovascular diseases.

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

Reference is made to the announcements of the Company dated 14 December 2016, 16 March 2017 and 24 June 2020 in relation to the formation of joint venture company (i.e. AD Pharmaceuticals).

AD Pharmaceuticals is a joint venture company established pursuant to the joint venture agreement dated 14 December 2016 entered into between Dawnrays Biotech and Akeso Biopharma, and is owned as to 65% and 35% by Akeso Biopharma and Dawnrays Biotech respectively. AD Pharmaceuticals is primarily engaged in the development of Ebronucimab (AK102) (a monoclonal antibody drug for the treatment of acquired and inherited hyperlipidemias, which is in phase II clinical trial) and AK109 (a new all-human VEGFR-2 monoclonal antibody, which is in phase I clinical trial).

The Loan is a pro rata contribution by the shareholders of AD Pharmaceuticals to provide funding for the business operation and clinical development of AD Pharmaceuticals and the construction of the industrialisation base at China-Singapore Guangzhou Knowledge City\* (中新廣州知識城) in Guangzhou, the PRC.

In view of the above, the Board considers that the terms of the Loan Agreement and the entering into of the Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The grant of the Loan under the Loan Agreement is a financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the principal amount of financial assistance granted to AD Pharmaceuticals, is more than 5% but less than 25%, the Loan granted under the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the words or expressions below shall have the following meanings when used herein:

“AD Pharmaceuticals”	康融東方(廣東)醫藥有限公司 (AD Pharmaceuticals Co., Ltd.), a company incorporated in the PRC which is owned as to 65% and 35% by Akeso Biopharma and Dawnrays Biotech respectively, and the borrower under the Loan Agreement
“Akeso Biopharma”	中山康方生物醫藥有限公司 (Akeso Biopharma Inc.), a company incorporated in the PRC in March 2012
“Board”	the Board of Directors

“Company”	Dawnrays Pharmaceutical (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Dawnrays Biotech”	Dawnrays Biotechnology Capital (Asia) Limited (東瑞生物投資發展(亞洲)有限公司), a company incorporated in Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	an unsecured loan in a principal amount of RMB84,000,000 provided by Dawnrays Biotech to AD Pharmaceuticals under the Loan Agreement
“Loan Agreement”	the loan agreement dated 2 February 2021 entered into between Dawnrays Biotech and AD Pharmaceuticals in respect of the Loan
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board of  
**Dawnrays Pharmaceutical (Holdings) Limited**  
**Li Kei Ling**  
*Chairman*

Hong Kong, 2 February 2021

*As at the date of this announcement, the Board of the Company comprises three executive directors, namely Ms. Li Kei Ling, Mr. Hung Yung Lai and Mr. Chen Shaojun; one non-executive director, namely Mr. Leung Hong Man; three independent non-executive directors, namely Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan.*

*\* for identification purpose only*