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**3DMed**

**思路迪**

**3D Medicines Inc.**

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

**(Stock Code: 1244)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Overall Coordinator**  
**J.P. Morgan Securities (Asia Pacific)**  
**Limited**

**Placing Agent**  
**J.P. Morgan Securities plc**

**J.P.Morgan**

On July 14, 2023 (before trading hours), the Company entered into the Placing Agreement with the Sole Overall Coordinator and the Placing Agent, pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent of the Company, to procure not less than six Placées on a best effort basis to subscribe for an aggregate of 2,150,000 Placing Shares at a price of HK\$108.00 per Placing Share.

The Placing Price of HK\$108.00 per Placing Share was determined after arm’s length negotiations between the Company, the Sole Overall Coordinator and the Placing Agent and represents (i) a discount of approximately 12.90% to the closing price of HK\$124.00 per Share as quoted on the Stock Exchange on July 13, 2023, being the trading day immediately preceding date of the Placing Agreement; (ii) a discount of approximately 8.75% to the average closing price of HK\$118.36 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement; and (iii) a discount of approximately 1.46% to the average closing price of approximately HK\$109.61 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Shares will represent approximately 0.84% of the existing issued share capital of the Company as at the date of this announcement and approximately 0.83% of the enlarged issued share capital of the Company immediately following the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the issued share capital of the Company between the date of this announcement and the completion of Placing). The Placing Shares will be allotted and issued under the General Mandate, and will not be subject to any additional approval by the Shareholders.

Assuming all the 2,150,000 Placing Shares are subscribed for in full, upon completion of the Placing, the gross proceeds will be HK\$232.2 million and the net proceeds (after deducting all applicable costs and expenses, including commission (assuming the discretionary commission is paid in full) and levies) arising from the Placing are estimated to be HK\$226.2 million.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to completion of the Placing).

**Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

Date: July 14, 2023

Parties (i) the Company;  
(ii) the Sole Overall Coordinator; and  
(iii) the Placing Agent.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sole Overall Coordinator and the Placing Agent is a third party independent of the Company and its connected persons.

### The Placing

Pursuant to the Placing Agreement, the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent of the Company, to procure not less than six Placees on a best effort basis to subscribe for an aggregate of 2,150,000 Placing Shares at a price of HK\$108.00 per Placing Share.

### The Placees

The Placing Agent has agreed to place the Placing Shares on a best effort basis to not less than six Placees, who are professional, institutional, or other investors. It is currently expected that the Placing Shares will be placed to not less than six Placees who, together with their respective ultimate beneficial owners, will be Independent Third Parties. It is not expected that any Placee will become a substantial shareholder of the Company as a result of the Placing.

## **Number of Placing Shares**

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of Placing, the number of 2,150,000 Placing Shares under the Placing represents approximately 0.84% of the issued share capital of the Company as at the date of this announcement, and approximately 0.83% of the issued share capital as enlarged by the issue of the Placing Shares. Based on the nominal value of HK\$0.001 per Share, the aggregate nominal value of the Placing Shares under the Placing will be HK\$2,150.

## **Placing Price**

The Placing Price is HK\$108.00 per Placing Share which represents:

- (i) a discount of approximately 12.90% to the closing price of HK\$124.00 per Share as quoted on the Stock Exchange on the trading day immediately preceding the date of the Placing Agreement;
- (ii) a discount of approximately 8.75% to the average closing price of approximately HK\$118.36 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement;
- (iii) a discount of approximately 1.46% to the average closing price of approximately HK\$109.61 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Placing Agreement.

The net Placing Price (after deducting related costs and expenses to be borne by the Company) is approximately HK\$105.2 per Share.

The Placing Price was determined on an arm's length basis between the Company, the Sole Overall Coordinator and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

## **Placing Shares**

The Placing Shares will be allotted and issued under the General Mandate granted to the Board by a resolution of the Shareholders dated June 26, 2023, pursuant to which the Board is authorized to allot and issue up to 51,211,400 Shares. As at the date of this announcement, the Company had not utilized the General Mandate and the 2,150,000 Placing Shares under the Placing represents approximately 4.20% of the entire General Mandate.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

## **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

## Placing Commission

The Placing Agent is entitled to a fixed commission equivalent to 1.5% and a discretionary commission of 1%, respectively, of the aggregate gross proceeds from the Placing. Assuming all the Placing Shares are placed, the maximum commission payable by the Company to the Placing Agent (assuming the discretionary commission is paid in full) shall be approximately HK\$5.81 million.

The placing commission under the Placing Agreement was determined after arm's length negotiations between the Company, the Sole Overall Coordinator and the Placing Agent with reference to the prevailing market conditions. The Directors are of the view that the placing commission is fair and reasonable.

## Conditions precedent and completion

Closing of the Placing shall be subject to the satisfaction or, if applicable, waiver of certain conditions (the "**Conditions**"), including:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked prior to completion of the Placing;
- (b) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as at the date of the Placing Agreement and the Closing Date (as defined below); and
- (c) other customary conditions as set out in the Placing Agreement, including but not limited to the absence of certain events constituting material adverse change before completion of the Placing.

Conditional upon satisfaction of the Conditions, completion of the Placing will take place on July 21, 2023 or such other date as the Company and the Placing Agent agree in writing (the "**Closing Date**").

## Lock-up Undertakings by the Company

The Company undertakes to the Placing Agent that for a period of 90 days from the Closing Date (the "**Lock-up Period**"), the Company will not, without the prior written consent of the Sole Overall Coordinator and the Placing Agent:

- (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares,  
  
whether any such transaction described in paragraphs (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) publicly announce any intention to enter into or effect any such transaction described in paragraph (i) or (ii) above.

The foregoing shall not apply to (a) the issue of the Placing Shares under the Placing Agreement; (b) the grant of any options or the issue of new Shares pursuant to the exercise of share options granted under the Share Option Scheme; and (c) the grant of any awards pursuant to the RSU Scheme;

### **Termination**

In the event that, among other things, any of the Conditions has not been satisfied or waived in writing pursuant to the Placing Agreement, the Placing Agent may terminate the Placing Agreement by giving notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

**Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### **APPLICATION FOR LISTING**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is bio-pharmaceutical company focusing on the research and development (“**R&D**”) of oncology therapies for cancer patients, especially those who require long-term care. Since the Company’s listing on December 15, 2022, the Company continues to pursue its R&D milestones and prepare for the commercialization of its drug candidates. In particular:

1. On December 30, 2022, the Company obtained the investigational new drug application (“**IND**”) approval from the FDA to proceed with the phase II clinical study for the treatment of mismatch repair deficiency (“**dMMR**”) advanced solid tumors; and
2. Batiraxcept (3D229) is in near-commercialization stage and has completed the enrollment in the registrational Phase III pivotal trial of batiraxcept plus paclitaxel for platinum-resistant ovarian cancer in the United States and in Europe.

The Company is constantly evaluating and pursuing opportunities to diversify its drug portfolio and investing in its commercialization infrastructure. To accomplish its vision and given the R&D milestones the Company have achieved since the Global Offering, the Directors consider that it is in the interests of the Company to broaden the shareholder base and the capital base of the Company through the Placing, so as to ensure that the Company can continue to pursue its expansion and growth plan and to capture future opportunities that may arise.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting all applicable costs and expenses, including commission (assuming the discretionary commission is paid in full) and levies) from the Placing will amount to approximately HK\$232.2 million and approximately HK\$226.2 million respectively. The net Placing Price per Placing Share will be approximately HK\$105.2.

Set out below is the planned allocation and utilization of the net proceeds from the Placing:

Use of proceeds	Planned allocation of the net proceeds from the Placing		Details of the proposed utilization plan
	(%)	(HK\$'000)	
1. Planned clinical trials to evaluate enavafolimab monotherapy	50	113,090	Ongoing and planned clinical trials to evaluate enavafolimab monotherapy in subjects with dMMR Advanced Solid Tumors
2. Building construction and procurement of equipment for our manufacturing facilities in Xuzhou, China	40	90,472	Expediting the building construction and the procurement of new machineries, instruments and equipment for the potential commercialization and production of Batiraxcept (3D229). We expect to complete the procurement, installation, testing and trial production, and the acquisition of GMP, CGMP and production licenses by June 2024
3. Our general corporate and working capital purposes	10	22,618	Our general corporate and working capital purposes
<b>Total</b>	<b>100</b>	<b>226,180</b>	

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Save for the Global Offering, the Company has not conducted any equity fund raising activity during the past twelve months immediately before the date of this announcement.

Set out below is the intended use and the balance of the total net proceeds from the Global Offering (including the exercise of the Over-allotment Option) as at the date of this announcement:

Intended use of proceeds as stated in the Prospectus	Percentage to total amount (%)	Total net proceeds from the Global Offering (including the proceeds from the exercise of the Over-allotment Option) (RMB'000)	Utilized amount as at the date of this announcement (RMB'000)	Expected time frame for unutilized amounts
(a) Research and development, regulatory filings and commercialization of our product and drug candidates:	90	201,523.4	71,196.6	Dec 2024
(i) Core Product enavafolimab	55	123,153.2	47,125.6	Dec 2023
(ii) other drug candidates	25	55,978.7	20,824.7	Dec 2024
(iii) the construction of our in-house production facilities in Xuzhou, Jiangsu province and procurement of new machineries, instruments and equipment	10	22,391.5	3,246.2	Dec 2023
(b) General corporate and working capital purposes	10	22,391.5	22,391.5	Dec 2023
<b>Total</b>	<b>100</b>	<b>223,914.9</b>	<b>93,588.1</b>	

## SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming all 2,150,000 Placing Shares are placed and there is no change in the issued share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

	(i) As at date of this announcement		(ii) Immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Dr. Gong Zhaolong and corporations controlled by him <sup>(1)</sup>	74,330,404	29.03%	74,330,404	28.79%
Sincere Pharmaceutical Group Limited	23,047,468	9.00%	23,047,468	8.93%
Shenzhen Efung Ruishi Investment Enterprise (Limited Partnership) <sup>(2)</sup>	13,817,381	5.40%	13,817,381	5.35%
The Places	–	–	2,150,000	0.83%
Other Shareholders	144,861,747	56.57%	144,861,747	56.10%
<b>Total</b>	<b>256,057,000</b>	<b>100.00%</b>	<b>258,207,000</b>	<b>100.00%</b>

*Notes:*

1. Dr. Gong Zhaolong controls 74,330,404 Shares through (a) Dragon Prosper Holdings Limited, which holds 35,992,364 Shares and is wholly-owned by Dr. Gong Zhaolong, and (b) Immunal Medixin US Limited, Immunal Medixin Cino L. Limited and Immunal Medixin Cino Limited, which hold in aggregate 38,338,040 Shares and are share incentive platforms managed by KASTLE LIMITED as trustee who, in accordance with the trust deed, acts in accordance with Dr. Gong Zhaolong's instructions when exercising voting rights attached to the Shares held by itself.
2. Shenzhen Efung Ruishi Investment Enterprise (Limited Partnership) ("**Shenzhen Efung**") is interested in our Shares through its affiliate, Shanghai Zhenlu Enterprise Management Consulting Partnership (Limited Partnership). Shenzhen Efung's executive partner is Shenzhen Efung Investment Management Enterprise (L.P.), which is in turn owned as to 51% by Shenzhen Efung Holding Co., Ltd. ("**Shenzhen Efung Holding**"). Shenzhen Efung Holding is in turn owned as to 54% and 23% by Mr. Zhu Jinqiao and Mr. Zhu Pai respectively. Mr. Zhu Jinqiao and Mr. Zhu Pai shall act in concert in relation to the exercising of their voting rights in Shenzhen Efung Holding. Accordingly, each of Shenzhen Efung, Shanghai Zhenlu Enterprise Management Consulting Partnership (Limited Partnership), Shenzhen Efung Investment Management Enterprise (L.P.), Shenzhen Efung Holding, Mr. Zhu Pai and Mr. Zhu Jinqiao are deemed to be interested in the Shares held by Shanghai Zhenlu Enterprise Management Consulting Partnership (Limited Partnership)

Given that completion of the Placing may or may not take place, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

## **RISK WARNING**

Due to the high-tech, high-risk and high value-added characteristics of pharmaceutical products, there are substantial risks and uncertainties in the process of drug research, development and commercialization. These many stages make it susceptible to uncertainties and therefore, investors are advised to make cautious decisions and pay careful attention to investment risks. The Company will actively pursue the described research and development project and fulfill its information disclosure obligations in a timely manner for subsequent progress in strict compliance with relevant regulations.

## **DEFINITIONS**

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

"Board"	the board of Directors
"Business Day(s)"	a day(s) (excluding Saturday) on which banks are open for business in Hong Kong
"Company"	3D Medicines Inc., a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1244)
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"FDA"	the United States Food and Drug Administration



“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders dated June 26, 2023
“Global Offering”	the offering of (i) 1,635,000 Shares initially for subscription by the public in Hong Kong and (ii) 14,715,000 Shares initially for subscription and 415,000 additional Shares allotted pursuant to the partial exercise of the over-allotment option for subscription outside the United States in offshore transactions in reliance on Regulation S under the United States Securities Act of 1933 (the “ <b>U.S. Securities Act</b> ”) and in the United States only to QIBs in reliance on Rule 144A or any other available exemption from the registration requirement under the U.S. Securities Act
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Over-allotment Option”	the option in respect of an aggregate of 415,000 Shares exercised on January 6, 2023, by the joint representatives of the Global Offering on behalf of the international underwriters, pursuant to the international underwriting agreement dated December 8, 2022
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent or their respective agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of 2,150,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	J.P. Morgan Securities plc
“Placing Agreement”	the conditional placing agreement entered into between the Company, the Sole Overall Coordinator and the Placing Agent dated July 14, 2023 in relation to the Placing
“Placing Price”	HK\$108.00 per Placing Share
“Placing Shares”	2,150,000 Placing Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Prospectus”	the prospectus of the Company dated November 29, 2022
“RSU Scheme”	the restricted share unit scheme of the Company adopted on June 22, 2021 and subsequently amended on June 26, 2023
“Sole Overall Coordinator”	J.P. Morgan Securities (Asia Pacific) Limited
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HK\$0.001 each
“Share Option Scheme”	the share option scheme of the Company adopted on June 26, 2023
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, July 14, 2023

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