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XtalPi Holdings Limited
晶泰控股有限公司

(formerly known as “QuantumPharm Inc.”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2228)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Joint Overall Coordinators
(in no particular order)



Co-Manager



The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and completion of the Placing took place on January 24, 2025.

Pursuant to the terms and conditions of the Placing Agreement, a total of 264,000,000 new Shares have been successfully placed by the Placing Agents to not less than six Placees at the Placing Price of HK\$4.28 per Placing Share, representing approximately 7.18% of the enlarged issued share capital of the Company immediately upon completion of the Placing.

The total gross proceeds from the Placing are approximately HK\$1,130 million, and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the Placing amounted to approximately HK\$1,125 million.

Reference is made to the announcement of the Company dated January 19, 2025 (the “**Announcement**”) in relation to, among others, the Placing. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

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To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees are professional, institutional, or other investors that are, together with their respective ultimate beneficial owners, third parties independent of the Company and its connected persons.

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NET PROCEEDS FROM THE PLACING

The Company intends to use the net proceeds from the Placing primarily for the purposes set forth below:

- (i) for continuous product iterations and upgrades to enhance its research and development technological capabilities and solution capabilities, such as:
 - (a) empowering new materials R&D with artificial intelligence (AI) and automation. For example, in August 2024, the Group entered into a strategic R&D collaboration agreement with GCL Group Co., Ltd. The cooperation includes the joint development of various AI, quantum physics and robotic automation system in the field of new energy materials, and joint R&D to update new energy and new materials and to improve industrial upgrade;
 - (b) computational advancements which will enable earlier and more widespread use of antibody-antigen structural insights across drug discovery process and which have the potential to transform antibody discovery methods, broadening therapeutic applications and accelerating the development of innovative molecules. For example, in October 2024 and January 2025, respectively, the Group entered into a license agreement on XtalFold™, a biologics AI platform developed by Ailux Biologics, a division of the Group, with Janssen Biotech, a Johnson & Johnson company, and UCB, a global biopharmaceutical company; and
 - (c) design and development of petroleum catalysts and improvement of the yield and quality of petroleum products through catalysts which can reduce the emission of environmental pollutants. For example, in October 2024, the Group successfully delivered a catalyst synthesis workstation to Sinopec Shanghai Research Institute of Petrochemical Technology for the high-throughput synthesis of a catalyst. The equipment is currently deployed at the customer's site and put into use;
- (ii) for facilitating the commercialization of the Company, strengthening external collaborations, and expanding the scale and market share of the Company, such as:
 - (a) external collaborations in the use of cutting-edge technologies such as AI, quantum physics and robotic laboratories, and active exploration of innovative applications of these technologies in the fields of biomedicine and materials science, for example, in December 2024, the Group entered into a strategic cooperation memorandum with Microsoft China, to use AI and robotics to drive change in life sciences, new materials, education and other fields;

- (b) development of platforms, powered by AI, automation and engineering, which will provide an intelligent and automated system for the rapid construction of Traditional Chinese Medicine (TCM) chemical and active ingredient screening libraries, enabling fast and efficient analysis of data results, and real-time monitoring, tracking and tracing, fault alerts, and diagnostic analysis of system operations. For example, recently, the Group is in the final stage of delivery of TCM automation systems and total solutions to Chinese Medicine Guangdong Laboratory. Such automation system was visited by top government leaders; and
 - (c) collaboration with medical and/or academic institutions to develop AI-based new drug discovery. For example, in December 2024, the Group entered into a collaboration with National Cancer Centre Singapore (NCCS) and Duke-NUS Medical School (Duke-NUS) where the Group will use a peptide research and design platform driven by AI and automated experiment to discover and design drugs for new targets of clear cell renal cell carcinoma (ccRCC) selected by NCCS, in order to provide better treatment options for this common type of renal cancer, and share subsequent commercialization results with partners;
- (iii) for investing in potential opportunities, talent attraction and introduction, working capital replenishment and general corporate purposes, with details as follows:
- (a) in terms of investing in potential opportunities, since completion of the Global Offering, due to its increased profile as a listed issuer, the Group has been expanding its global footprint at a pace faster than expected, primarily in the United States, Hong Kong, Southeast Asia, Europe and the Middle East. The Company has been approached by various potential business partners and collaborators in the exploration of potential business collaboration and investment opportunities, some of which had not been anticipated at the time of the Global Offering. For example, as announced by the Company, on October 30, 2024, the Company entered into a non-legally binding memorandum of understanding with PT Sinar Mas Multiartha, Tbk in relation to the proposed formation of a strategic partnership to collaborate in the fields of artificial intelligence and automation in Southeast Asia. As at the date of this announcement, discussions on various investment and partnership opportunities are ongoing between the Group and the relevant counterparties. The Group is currently in the process of evaluating the opportunities. With the necessary funds and preparation in place, the Group will be well-positioned to grasp the right opportunities as and when they arise, which would be in the best interest of the Company and its shareholders;
 - (b) in terms of talent attraction and introduction, to maintain the Company's position and competitiveness as a leading AI drug discovery company, it is critical for the Group to have sufficient cash resources from time to time for talent attraction so as to strengthen the R&D team of the Group and attract the best talents and experts in the field; and

- (c) in terms of working capital replenishment and general corporate purposes, the proceeds will be mainly used to maintain the Company's business operations in the ordinary and usual course of business.

To the extent that the net proceeds from the Placing are not immediately used for the purposes described above, the Company may hold such proceeds in short-term deposits or purchase short-term wealth management products so long as it is deemed to be in the best interests of the Company.

The Company currently expects that the net proceeds from the Placing will be primarily allocated towards category (ii) of the abovementioned purposes and the remaining net proceeds towards categories (i) and (iii) of the abovementioned purposes, and the Company currently expects to utilize such net proceeds for the above intended uses in the coming three years. Such allocation and expected time frame are based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group, the market conditions and availability of business development and investment opportunities, especially in the near term.

NET PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds raised from the Global Offering (including net proceeds raised from the shares issued as a result of the partial exercise of the over-allotment option) (the “**IPO Proceeds**”) were approximately HK\$941.95 million. As at November 30, 2024, details of the utilization of such net proceeds is as follows:

Use of proceeds	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds	Utilized net proceeds (as at November 30, 2024) (HK\$ million)	Unutilized net proceeds (as at November 30, 2024) (HK\$ million)	Expected timeline for utilizing the remaining balance of net proceeds
Enhancing R&D capabilities and solutions provision	706.46	75.0%	64.37	642.09	By 2029
Improving commercialization capability in and beyond China	141.29	15.0%	14.37	126.92	By 2029
For working capital and general corporate purposes	94.20	10.0%	91.61	2.59	By 2029
Total	941.95	100.0%	170.35	771.60	

Notes:

- (1) The sum of the data may not add up to the total due to rounding.
- (2) The above expected time frame of unutilized amount is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group and the market conditions.

While the Company currently intends to continue to utilize the IPO Proceeds in accordance with the purposes and timeline as disclosed by the Company in the Prospectus, the Company believes that the additional funding raised from the Placing will benefit the Group's development as a whole and could serve to supplement the intended uses allocated for the IPO Proceeds. The Group has continued to rapidly develop its business operations at a pace faster than expected, and has achieved significant milestones in various aspects of its business operations. For example, with its solid accumulation in the fields of AI, quantum physics and robotics technology, the Group stood out in the competitive bidding and was qualified to participate in the construction of the "Four-in-One Platform" for the creation of new Chinese medicines in Chinese Medicine Guangdong Laboratory.

In addition, as alluded to in the section headed "**NET PROCEEDS FROM THE PLACING**" above, the Group has come across multiple new business opportunities since completion of the Global Offering in June last year. These include (i) antibody discovery, (ii) automation total solution, (iii) automated chemical synthesis, (iv) material science, and (v) collaboration with technology giants, among others. Such opportunities had not been anticipated as at the time of the Global Offering. With such new business opportunities, the Company considers that the proceeds of the Placing and the Global Offering will be complementary to each other and the additional funding raised from the Placing will facilitate the Group's achievement of commercialization and reinforcement of its position as a leader in drug discovery solutions and intelligent automation solutions.

Since the completion of the Global Offering, global market conditions and geopolitical environment have changed dramatically, and the global macro and business environment for the Group will continue to be volatile and unpredictable. Recently, various monetary and/or economic policies have been announced resulting in global fluctuations in interest rate adjustment expectation, which in turn affect the valuation of companies in particular emerging technology and biotechnology companies. The Company has noted the recent surge in fundraising activities taken by its peers. As a technology-driven company in a highly competitive global business environment which is highly sensitive to policy changes, it is critical for the Group to stay ahead of market changes, be prepared for opportunities as and when they arise any time and keep up with actions taken by peers in the same industry. While the global economy continues to face challenges and risks, the Group believes in the coexistence of challenges and opportunities. In view of the recent developments, the prevailing market conditions and the macro-environment, and having considered the needs of the Company and the business outlook, the Board considers that it would be appropriate

to conduct the Placing at this stage to replenish the Company's cash resources for the disclosed purposes, which would be important for the promotion of the Group's long-term success.

By order of the Board
XtalPi Holdings Limited

Dr. Wen Shuhao

Chairman of the Board and Executive Director

Hong Kong, January 24, 2025

As at the date of this announcement, the Board comprises Dr. Wen Shuhao, Dr. Ma Jian, Dr. Lai Lipeng and Dr. Jiang Yide Alan as executive Directors, and Mr. Law Cheuk Kin Stephen, Ms. Chan Wing Ki and Mr. Chow Ming Sang as independent non-executive Directors.